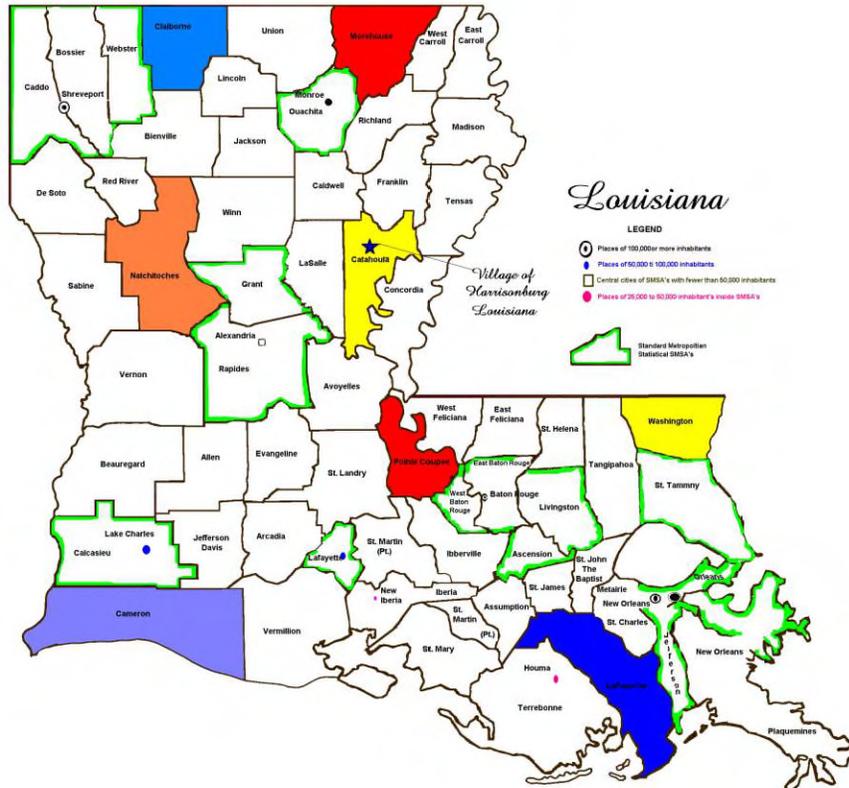


VILLAGE OF HARRISONBURG, LOUISIANA

Annual Financial Statements

JUNE 30, 2023

VILLAGE OF HARRISONBURG HARRISONBURG, LOUISIANA



The Village of Harrisonburg was incorporated October 18, 1923, under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

Village of Harrisonburg, Louisiana
Table of Contents
June 30, 2023

	Schedule	Page
Independent Auditor's Report.....		1-3
Management's Discussion and Analysis.....		4-8
Basic Financial Statements		
Statement of Net Position.....	A	10
Statement of Activities.....	B	11
Balance Sheet, Governmental Funds.....	C	12
Reconciliation of the Government Funds Balance Sheet to the Government- Wide Financial Statement of Net Position.....	D	13
Statement of Revenues, Expenditures & Changes in Fund Balances – Governmental Funds.....	E	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	F	15
Statement of Net Position – Proprietary Funds.....	G	16
Statement of Revenues, Expenses & Changes in Net Position – Proprietary Funds.....	H	17
Statement of Cash Flows – Proprietary Funds.....	I	18
Notes to the Basic Financial Statements.....		20-32
Required Supplemental Information		
Statement of Revenues, Expenditures, & Changes in Fund Balance – Budget & Actual – General Fund.....	1	34
Other Information		
Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer.....		36
Schedule of Expenditures of Federal Awards.....		37-39
Justice System Funding Schedule.....		40
Schedule of Loans and Grants.....		41
Other Reports		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....		43-44
Independent Auditors Report on Compliance for Each Major Program.....		45-47
Schedule of Findings and Questioned Costs.....		48-50
Management Letter Comments.....		51
Management's Summary of Prior Year Findings.....		52-53
Independent Accountant's Report on Applying Agreed Upon Procedures.....		54

John R. Vercher C.P.A.
john@verchergroup.com

Jonathan M. Vercher M.S., C.P.A.
jonathan@verchergroup.com

David R. Vercher M.B.A., C.P.A., C.F.E.
david@verchergroup.com

THE VERCHER GROUP

A Professional Corporation of

Certified Public Accountants

P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

INDEPENDENT AUDITOR'S REPORT

The Honorable Michael Tubre, Mayor
& Members of the Village Council
Harrisonburg, Louisiana

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the Village of Harrisonburg, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Harrisonburg 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 Harrisonburg'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.

Auditor's 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 generally accepted auditing standards 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment 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 the Village of Harrisonburg'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 the Village of Harrisonburg'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 management's discussion and analysis and budgetary comparison information 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Harrisonburg's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Schedule of Compensation, Benefits and other Payments to Agency Head or Chief Executive Officer, Justice System Funding Schedule, and Schedules of Loans and Grants 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 auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, the Schedule of Compensation, Benefits and other Payments to Agency Head or Chief Executive Officer, the Justice System Funding Schedule, and Schedules of Loans and Grants are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2023, on our consideration of the Village of Harrisonburg'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 Harrisonburg'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 Village of Harrisonburg's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated November 2, 2023, on the results of our statewide agreed-upon procedures performed 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*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

The Vercher Group

Jena, LA

November 2, 2023

Village of Harrisonburg

PO Box 320

Harrisonburg, Louisiana 71340

Tel: (318) 744-5794

Fax: (318) 744-5381

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Village, we offer readers of the Village of Harrisonburg's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the Village's financial statements.

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

FINANCIAL HIGHLIGHTS

Governmental Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$871,247 (*net position*). This is a \$393,333 increase from last year.
- The Village had total revenue of \$483,855. This is a \$333,978 increase from last year's revenues, mainly due to an increase in fees and charges in the amount of \$292,937.
- The Village had total expenditures of \$454,053, which is a \$192,120 increase from last year.

Enterprise Fund

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$4,608,084 (*net position*). This is a \$2,628,078 increase from last year.
- The Village had total revenue of \$1,078,248. This is a \$64,244 increase from last year, mainly due to an increase in gas sales in the amount of \$65,789.
- The Village had total expenses of \$719,374. This is a \$150,642 decrease from last year, mainly due to a decrease in operations/maintenance in the amount of \$252,781.

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS

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

USING THIS ANNUAL REPORT

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

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

REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS

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

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

MD&A

Governmental Funds

Comparative Statement of Net Position as of June 30, 2023:

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 171,713	\$ 526,526	206.6
Receivables (Net)	14,368	3,718	-74.1
Capital Assets, Net of Accumulated Depreciation	319,604	355,773	11.3
Total Assets	<u>505,685</u>	<u>886,017</u>	75.2
Liabilities & Net Position			
Accounts, Salaries, & Other Payables	27,771	14,770	-46.8
Notes Payable – Current Portion	-0-	-0-	0.0
Notes Payable – Non-Current	-0-	-0-	0.0
Total Liabilities	<u>27,771</u>	<u>14,770</u>	-46.8
Net Position			
Net Investment in Capital Assets	319,604	355,773	11.3
Unrestricted	158,310	515,474	225.6
Total Net Position	<u>\$ 477,914</u>	<u>\$ 871,247</u>	82.3

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2023:

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Revenues			
Fees & Charges	\$ 31,022	\$ 323,959	944.3
Taxes	75,402	51,568	-31.6
Fines	7,722	3,564	-53.8
Intergovernmental-Capital Grants	-0-	70,250	100.0
Other Revenue	35,731	34,514	-3.4
Total Revenues	<u>149,877</u>	<u>483,855</u>	222.8
Expenditures			
General Government	62,052	120,365	94.0
Police	118,432	137,950	16.5
Fire	14,070	82,433	485.9
Sanitation	67,379	43,055	-36.1
Debt Service	-0-	-0-	0.0
Capital Outlay	-0-	70,250	100.0
Total Expenditures	<u>261,933</u>	<u>454,053</u>	73.3
Excess (Deficiency) of Revenues Over Under Expenditures	<u>(112,056)</u>	<u>29,802</u>	126.6
Other Financing Sources (Uses)			
Transfers In/(Out)	132,937	327,362	146.3
Total Other Financing Sources (Uses)	<u>132,937</u>	<u>327,362</u>	146.3
Net Change in Fund Balance	20,881	357,164	1610.5
Fund Balances - Beginning	137,429	158,310	15.2
Fund Balances - Ending	<u>\$ 158,310</u>	<u>\$ 515,474</u>	225.6

MD&A

Enterprise Fund

Comparative Statement of Net Position as of June 30, 2023:

Assets	2022	2023	% Change
Cash & Cash Equivalents	\$ 179,087	\$ 147,803	-17.5
Receivables (Net)	61,408	210,248	242.4
Restricted Assets	134,883	263,623	95.4
Capital Assets, Net of Accumulated Depreciation	2,111,690	4,597,920	117.7
Total Assets	<u>2,487,068</u>	<u>5,219,594</u>	109.9
Liabilities & Net Position			
Accounts, Salaries, & Other Payables	28,813	158,617	450.5
Accrued Interest	3,370	1,449	-56.9
Current Bonds Payable	18,504	23,436	26.7
Bonds Payable	456,375	428,008	-6.2
Total Liabilities	<u>507,062</u>	<u>611,510</u>	20.6
Net Position			
Net Investment in Capital Assets	1,636,811	4,025,156	145.9
Restricted for Debt Service	11,928	29,975	151.3
Restricted for Construction	-0-	233,648	100.0
Unrestricted	331,267	319,305	-3.6
Total Net Position	<u>\$ 1,980,006</u>	<u>\$ 4,608,084</u>	132.7

Comparative Statement of Revenues, Expenses & Changes in Net Position for the year ended June 30, 2023:

Operating Revenues	2022	2023	% Change
Water Sales	\$ 195,919	\$ 262,764	34.1
Sewer Charges	231,124	162,734	-29.6
Gas Sales	586,961	652,750	11.2
Total Operating Revenues	<u>1,014,004</u>	<u>1,078,248</u>	6.3
Operating Expenses			
Operations/Maintenance	292,496	39,715	-86.4
Utility Purchases	190,976	194,257	1.7
Administration/Personnel	261,707	357,947	36.7
Depreciation	124,837	127,455	2.1
Total Operating Expenses	<u>870,016</u>	<u>719,374</u>	-17.3
Operating Income (Loss)	<u>143,988</u>	<u>358,874</u>	149.2
Nonoperating Revenues (Expenses)			
DWRLF Loan Forgiveness Proceeds	-0-	1,855,679	100.0
Interest Expense	(17,123)	(16,554)	3.3
Total Nonoperating Revenues (Expenses)	<u>(17,123)</u>	<u>1,839,125</u>	10829.0
Income Before Contributions & Transfers	<u>126,865</u>	<u>2,197,999</u>	1632.5
Transfers In/(Out)	(132,937)	(327,362)	-146.3
Capital Contributions	<u>-0-</u>	<u>757,441</u>	100.0
Change in Net Position	(6,072)	2,628,078	43381.9
Total Net Position - Beginning	1,986,078	1,980,006	-0.3
Total Net Position - Ending	<u>\$ 1,980,006</u>	<u>\$ 4,608,084</u>	132.7

MD&A

CAPITAL ASSETS & LONG-TERM DEBT

Capital Assets – Governmental Funds

At June 30, 2023, the Village had \$355,773 invested in capital assets, including the following:

Capital Assets at Year-End		
	2022	2023
Land (Not Depreciated)	\$ 26,000	\$ 26,000
Capital Assets	1,037,805	1,108,055
Accumulated Depreciation	(744,201)	(778,282)
Total	\$ 319,604	\$ 355,773

Capital Assets – Enterprise Fund

At June 30, 2023, the Village had \$4,597,920 invested in capital assets, including the following:

Capital Assets at Year-End		
	2022	2023
Land (Not Depreciated)	\$ 10,485	\$ 18,000
Gas System	1,839,933	1,839,933
Water System	1,443,820	1,443,820
Sewer System	1,932,749	1,932,749
Construction in Progress-Water*	-0-	2,605,685
Accumulated Depreciation	(3,115,297)	(3,242,267)
Total	\$ 2,111,690	\$ 4,597,920

* Construction in progress in the amount of \$2,605,685 in the Water System is not being depreciated.

Long-Term Debt

The following is a summary of revenue bond transactions and general obligation debt transactions of the Village of Harrisonburg for the year ended June 30, 2023.

	Water Revenue Bonds	Sewer Revenue Bonds	Total
Bonds & Notes Payable - Beginning	\$ 182,870	\$ 292,010	\$ 474,880
Additions	-0-	-0-	-0-
Principal Retirements	(17,000)	(6,436)	(23,436)
Total	\$ 165,870	\$ 285,574	\$ 451,444

CONTACTING THE VILLAGE'S FINANCIAL MANGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact Mayor Michael Tubre at the Village Hall, phone number (318) 744-5794.

Basic Financial Statements

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

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Assets			
Cash & Cash Equivalents	\$ 526,526	\$ 147,803	\$ 674,329
Receivables (Net of Allowances)	3,718	210,248	213,966
Restricted Assets	-0-	263,623	263,623
Capital Assets (Net of Accumulated Depreciation)	355,773	4,597,920	4,953,693
Total Assets	<u>886,017</u>	<u>5,219,594</u>	<u>6,105,611</u>
Current Liabilities			
Accounts, Salaries, & Other Payables	14,770	158,617	173,387
Accrued Interest	-0-	1,449	1,449
Current Bonds (Payable from Restricted Assets)	-0-	23,436	23,436
Total Current Liabilities	<u>14,770</u>	<u>183,502</u>	<u>198,272</u>
Non-Current Liabilities			
Revenue Bonds & Notes Payable	-0-	428,008	428,008
Total Non-Current Liabilities	<u>-0-</u>	<u>428,008</u>	<u>428,008</u>
Total Liabilities	<u>14,770</u>	<u>611,510</u>	<u>626,280</u>
Net Position			
Net Investment in Capital Assets	355,773	4,025,156	4,380,929
Restricted for Debt Service	-0-	29,975	29,975
Restricted for Construction	-0-	233,648	233,648
Unrestricted	515,474	319,305	834,779
Total Net Position	<u>\$ 871,247</u>	<u>\$ 4,608,084</u>	<u>\$ 5,479,331</u>

The accompanying notes are an integral part of this statement.

Statement B

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

	PROGRAM REVENUES					NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT		
	Expenses	Charges for Services	Capital Grants	Operating Grants	Net (Expenses) Revenue	Governmental Activities	Business Type Activities	Total
Governmental Activities								
General Government	\$ (219,083)	\$ 304,322	\$ 70,250	\$ -0-	\$ 155,489	\$ 155,489		\$ 155,489
Public Safety:								
Police	(143,563)	-0-	-0-	-0-	(143,563)	(143,563)		(143,563)
Fire	(82,433)	5,846	-0-	-0-	(76,587)	(76,587)		(76,587)
Sanitation	(43,055)	13,791	-0-	-0-	(29,264)	(29,264)		(29,264)
Interest on Long-Term Debt	-0-	-0-	-0-	-0-	-0-	-0-		-0-
Total Governmental Activities	<u>(488,134)</u>	<u>323,959</u>	<u>70,250</u>	<u>-0-</u>	<u>(93,925)</u>	<u>(93,925)</u>		<u>(93,925)</u>
Business Type Activities								
Sewer, Water, & Gas	(719,374)	1,078,248	757,441	-0-	1,116,315		\$ 1,116,315	\$ 1,116,315
Interest on Long-Term Debt	(16,554)	-0-	-0-	-0-	(16,554)		(16,554)	(16,554)
Total Business Type Activities	<u>(735,928)</u>	<u>1,078,248</u>	<u>757,441</u>	<u>-0-</u>	<u>1,099,761</u>		<u>1,099,761</u>	<u>1,099,761</u>
Total Primary Government	<u>\$ (1,224,062)</u>	<u>\$ 1,402,207</u>	<u>\$ 827,691</u>	<u>\$ -0-</u>	<u>\$ 1,005,836</u>			<u>1,005,836</u>
					General Revenues			
					Taxes:			
					Ad Valorem Tax	10,438	-0-	10,438
					Occupational Tax	24,320	-0-	24,320
					Sales Tax	41,130	-0-	41,130
					Fines	3,564	-0-	3,564
					Other	80,444	1,855,679	1,936,123
					Transfers In (Out)	327,362	(327,362)	-0-
					Total General Revenues	<u>487,258</u>	<u>1,528,317</u>	<u>2,015,575</u>
					Change in Net Position	393,333	2,628,078	3,021,411
					Net Position - Beginning	<u>477,914</u>	<u>\$ 1,980,006</u>	<u>\$ 2,457,920</u>
					Net Position - Ending	<u>\$ 871,247</u>	<u>\$ 4,608,084</u>	<u>\$ 5,479,331</u>

The accompanying notes are an integral part of this statement.

Village of Harrisonburg, Louisiana
Balance Sheet
Governmental Funds
June 30, 2023

	GENERAL
Assets	
Cash & Cash Equivalents	\$ 526,526
Receivables (Net of Allowances for Uncollectables)	3,718
Total Assets	530,244
Liabilities	
Accounts, Salaries, & Other Payables	14,770
Total Liabilities	14,770
Fund Balance	
Unassigned	515,474
Total Fund Balance	515,474
Total Liabilities & Fund Balance	\$ 530,244

The accompanying notes are an integral part of this statement.

Village of Harrisonburg, Louisiana
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
June 30, 2023

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

Fund Balance, Total Governmental Funds (Statement C)	\$ 515,474
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds.	355,773
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the Governmental Funds.	
Notes Payable	----- -0-
Net Position of Governmental Activities (Statement A)	<u>\$ 871,247</u>

The accompanying notes are an integral part of this statement.

Village of Harrisonburg, Louisiana
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	GENERAL
Revenues	
Fees & Charges	\$ 323,959
Ad Valorem Taxes	10,438
Occupational Licenses	24,320
CPJ Sales Tax	41,130
Fines	3,564
Capital Grants	70,250
Other Revenue	10,194
Total Revenues	483,855
Expenditures	
General Government	120,365
Public Safety:	
Police	137,950
Fire	82,433
Sanitation	43,055
Debt Service	-0-
Capital Outlay	70,250
Total Expenditures	454,053
Excess (Deficiency) of Revenues Over Under Expenditures	29,802
Other Financing Sources (Uses)	
Transfers In/(Out)	327,362
Total Other Financing Sources (Uses)	327,362
Net Change in Fund Balance	357,164
Fund Balances - Beginning	158,310
Fund Balances - Ending	\$ 515,474

The accompanying notes are an integral part of this statement.

Village of Harrisonburg, Louisiana
Reconciliation of the Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2023

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

Net Change in Fund Balances, Total Governmental Funds, Statement E		\$ 357,164
--------------------------------------------------------------------	--	------------

Governmental Funds report capital outlays as expenditure. 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 exceeded depreciation in the current period.

Capital Outlay	70,250		
Depr. Expense	(34,081)		36,169

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to Governmental Funds, while the repayment of the principal of long-term debt consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on net position. Also, Governmental Funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt Issued	-0-		
Principal Paid	-0-		-0-

Changes in Net Position of Governmental Activities, Statement B		\$ <u>393,333</u>
-----------------------------------------------------------------	--	-------------------

The accompanying notes are an integral part of this statement.

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

	Enterprise Fund
Current Assets	
Cash & Cash Equivalents	\$ 147,803
Receivables (Net of Allowances for Uncollectibles)	210,248
Total Current Assets	358,051
Non-Current Assets	
Restricted Cash	263,623
Capital Assets (Net of Accumulated Depreciation)	4,597,920
Total Non-Current Assets	4,861,543
Total Assets	5,219,594
Current Liabilities	
Accounts, Salaries, & Other Payables	158,617
Total Current Liabilities	158,617
Current Liabilities Payable From Restricted Assets	
Accrued Interest	1,449
Current Bonds & Interest Payable	23,436
Total Current Liabilities Payable From Restricted Assets	24,885
Total Current Liabilities	183,502
Non-Current Liabilities	
Revenue Bonds & Notes Payable	428,008
Total Non-Current Liabilities	428,008
Total Liabilities	611,510
Net Position	
Net Investment in Capital Assets	4,025,156
Restricted for Debt Service	29,975
Restricted for Construction	233,648
Unrestricted	319,305
Total Net Position	\$ 4,608,084

The accompanying notes are an integral part of this statement.

Village of Harrisonburg, Louisiana
Statement of Revenues, Expenses & Changes in Net Position
Proprietary Fund
June 30, 2023

	Enterprise Fund
Operating Revenues	
Charges for Services:	
Water Sales	\$ 262,764
Sewer Charges	162,734
Gas Sales	652,750
Total Operating Revenues	1,078,248
Operating Expenses	
Operations/Maintenance	39,715
Utility Purchases	194,257
Administration/Personnel	357,947
Depreciation	127,455
Total Operating Expenses	719,374
Operating Income (Loss)	358,874
Nonoperating Revenues (Expenses)	
DWRLF Loan Forgiveness Proceeds	1,855,679
Interest Expense	(16,554)
Total Nonoperating Revenues (Expenses)	1,839,125
Income Before Contributions & Transfers	2,197,999
Transfers In/(Out)	(327,362)
Capital Contributions	757,441
Change in Net Position	2,628,078
Total Net Position - Beginning	1,980,006
Total Net Position - Ending	\$ 4,608,084

The accompanying notes are an integral part of this statement.

Village of Harrisonburg, Louisiana
Statement of Cash Flows
Proprietary Fund
June 30, 2023

	<u>Enterprise Fund</u>
Cash Flows From Operating Activities	
Receipts From Customers & Users	\$ 1,078,248
Payments to Suppliers	(357,949)
Payments to Employees	(254,926)
Net Cash Provided (Used) by Operating Activities	<u>465,373</u>
Cash Flows From Non-Capital Financing Activities	
Transfers to Other Funds	(327,362)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(327,362)</u>
Cash Flows From Capital & Related Financing Activities	
Additions to Capital Debt	-0-
DWRLF Loan Forgiveness Proceeds	1,855,679
Capital Contributions	757,441
Principal on Capital Debt	(23,436)
Interest Paid on Capital Debt	(16,554)
(Acquisition)Deletion of Capital Assets	(2,613,685)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(40,555)</u>
Cash Flows From Investing Activities	
Interest and Dividends Received	-0-
Net Cash Provided (Used) by Investing Activities	<u>-0-</u>
Net Increase (Decrease) in Cash & Cash Equivalents	97,456
Cash & Cash Equivalents, Beginning of Year	313,970
Cash & Cash Equivalents, End of Year	<u>411,426</u>
Reconciliation to Balance Sheet	
Cash and Cash Equivalents	147,803
Restricted for Cash	263,623
Total Cash and Cash Equivalents	<u>411,426</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	358,874
Depreciation Expense	127,455
(Increase) Decrease in Accounts Receivable	(148,840)
Increase (Decrease) in Accounts Payables	129,803
Increase (Decrease) in Accrued Interest	(1,919)
Total Adjustments	<u>106,499</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 465,373</u>

The accompanying notes are an integral part of this statement.

**Notes To the Basic
Financial Statements**

VILLAGE OF HARRISONBURG, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Harrisonburg was incorporated October 18, 1923, under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

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

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred.

VILLAGE OF HARRISONBURG, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Capital contributions and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

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

The municipality reports the following major proprietary fund:

- Enterprise Fund
 - Water Activities
 - Sewer Activities
 - Gas Activities

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Principal operating revenues are utility billings. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE OF HARRISONBURG, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

C. EQUITY CLASSIFICATIONS

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

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

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

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

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

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

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

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

D. CASH & CASH EQUIVALENTS

The Village’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six months or less from the date of acquisition. State law and the municipality’s investments policy allow the municipality to invest in collateralized certificate of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

E. RECEIVABLES & PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

F. AD VALOREM TAXES

The entity levies taxes on real and business personal property located within its boundaries. The entity utilizes the services of the Catahoula Parish Tax Assessor to assess the property values and prepare the entity's property tax roll. The entity bills and collects its own property taxes.

Property Tax Calendar

Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On or About October 15
Total Taxes Are Due	December 31
Penalties and Interest are Added	January 1
Lien Date	January 1

For the year ended June 30, 2023, taxes of 7.33 mills were levied against property having a valuation of some \$10,438 which produced some \$1,440,389 in revenue.

Ad Valorem Taxes are broken down as follows:

	<u>Mills</u>
General Alimony	7.33
Total	<u>7.33</u>

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

G. RESTRICTED ASSETS

Restricted assets include cash and cash investments in the proprietary funds which are restricted.

Restricted assets were applicable to the following at June 30, 2023:

	<u>Sewer</u>	<u>Water</u>	<u>Gas</u>	<u>Total</u>
Sewer Revenue Reserve	\$ 24,028	\$ -0-	\$ -0-	\$ 24,028
Depreciation Reserve Account	15,917	-0-	-0-	15,917
Construction Account	-0-	50,261	-0-	50,261
Water Bond Reserve	-0-	8,464	-0-	8,464
Water Depreciation	-0-	6,453	-0-	6,453
Capital Improvements	-0-	-0-	158,500	158,500
Total	<u>\$ 39,945</u>	<u>\$ 65,178</u>	<u>\$ 158,500</u>	<u>\$ 263,623</u>

H. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if the 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 of Harrisonburg maintains a threshold level of \$1,500 or more for capitalizing capital assets.

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

For the year ended June 30, 2023, no interest costs were capitalized for construction of fixed assets.

Gas, Water, & Sewer Systems	40 years
Vehicles and Equipment	5-10 years
Parking Lot	20 years

I. INVENTORIES

Inventories of materials and supplies are considered to be expenditures at the time purchased. Amounts on hand at the financial statement date are considered immaterial and therefore not included on the statements of assets and liabilities.

J. LONG-TERM OBLIGATIONS

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

VILLAGE OF HARRISONBURG, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

K. FUND EQUITY

In the fund equity statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plan that are subject to change.

L. USE OF ESTIMATES

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

2. CASH, CASH EQUIVALENTS, & INVESTMENTS – (C.D.'S IN EXCESS OF 90 DAYS)

Custodial Credit Risk

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

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

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

Deposits

It is the Village's policy for deposits (demand checking accounts, savings accounts, and certificate of deposits) to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Village's deposits are categorized to give an indication of the level of risk assumed by the Village at year end. The categories are described as follows:

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

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

	Southern Heritage Bank	CLB – The Community Bank	Concordia Bank	Total
Bank Balances	\$ 654,247	\$ 314,169	\$ 34,039	\$ 1,002,455
<i>Secured As Follows</i>				
FDIC (<i>Category 1</i>)	500,000	314,369	34,039	848,208
Securities (<i>Category 2</i>)	282,016	-0-	-0-	282,016
Uncollateralized (<i>Category 3</i>)	-0-	-0-	-0-	-0-
Total	\$ 782,016	\$ 314,369	\$ 34,039	\$ 1,130,224

All deposits were fully secured as of June 30, 2023.

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 of Harrisonburg. For the purpose of the proprietary fund Statement of Cash Flows, “Cash and Cash Equivalents” include all demand savings accounts and certificates of deposit under 90 days.

3. RECEIVABLES

The receivables of \$213,966 at June 30, 2023, are as follows:

	General Fund	Enterprise Fund	Total
Accounts Receivable	\$ 3,718	\$ 215,005	\$ 218,723
Allowances for Bad Debt	-0-	(4,757)	(4,757)
Total	\$ 3,718	\$ 210,248	\$ 213,966

Uncollectable amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectable of the receivable.

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

4. PAYABLES

Proprietary Fund

The payables of \$158,617 at June 30, 2023, are as follows:

Sewer Payables	\$	6,241
Water Payables		13,175
Contract Payables		119,869
Gas Payables		19,332
Total Payables	\$	<u>158,617</u>

General Fund

The payables of \$14,770 at June 30, 2023, are as follows:

General Fund Payables	\$	1,955
Sanitary Fund Payables		3,226
Police Fund Payables		82
Fire Fund Payables		1,176
Accrued Payroll/ Taxes		8,331
Total Payables	\$	<u>14,770</u>

5. CAPITAL ASSETS

Proprietary Fund

A summary of enterprise fund plant and equipment at June 30, 2023, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Gas System*	\$ 1,849,933	\$ 8,000	\$ -0-	\$ 1,857,933
Water System	1,443,820	-0-	-0-	1,443,820
Sewer System	1,932,749	-0-	-0-	1,932,749
Construction in Progress-Water*	-0-	2,605,685	-0-	2,605,685
Total	<u>5,226,502</u>	<u>2,613,685</u>	<u>-0-</u>	<u>7,840,187</u>
Less: Accumulated Depreciation	(3,114,812)	(127,455)	-0-	(3,242,267)
Capital Assets, Net	<u>\$ 2,111,690</u>	<u>\$ 2,486,230</u>	<u>\$ -0-</u>	<u>\$ 4,597,920</u>

*Land in the amount of \$18,000 in the Gas System is not being depreciated.

*Construction in progress in the amount of \$2,457,024 in the Water System are not being depreciated.

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

General Fund

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets*	\$ 1,063,805	\$ 70,250	\$ -0-	\$ 1,134,055
Accumulated Depreciation	(744,201)	(34,081)	-0-	(778,282)
Capital Assets, Net	\$ 319,604	\$ 36,169	\$ -0-	\$ 355,773

*Land in the amount of \$26,000 is included in the capital assets and is not being depreciated.

Depreciation expense was charged to governmental functions as follows:

General	\$ 28,468
Fire	-0-
Police	5,613
Sanitation	-0-
Total Depreciation	\$ 34,081

6. CHANGES IN LONG-TERM DEBT

The following is a summary of revenue bond transactions and general obligation debt transactions of the Village of Harrisonburg for the year ended June 30, 2023.

	Water Revenue Bonds	Sewer Revenue Bonds	Total
Bonds & Notes Payable - Beginning	\$ 182,870	\$ 292,010	\$ 474,880
Additions	-0-	-0-	-0-
Principal Retirements	(17,000)	(6,436)	(23,436)
Total	\$ 165,870	\$ 285,574	\$ 451,444

Bonds payable and capital leases at June 30, 2023, are comprised of the following issues:

Revenue Bonds and Capital Leases

\$200,000 of 2021 Water Revenue Bonds due annually in installments of \$17,000 - \$24,000 starting 4/01/22 and ending 4/01/31; interest at 3.50%.	\$ 165,870
\$200,000 of 2008 Sewer Revenue Bonds due annually in installments of \$10,868.62 starting 10/21/09 and ending 10/21/48; interest at 4.5%.	164,284
\$156,000 of 2008 Sewer Revenue Bonds due annually in installments of \$7,447.33 starting 10/21/09 and ending 10/21/48; interest at 3.625%.	121,290
Total	\$ 451,444

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

The annual requirements to amortize all debt outstanding as of June 30, 2023, including interest payments, are as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2024	42,314
2025	42,684
2026	42,019
2027	42,354
2028-2032	92,520
2033-2037	92,520
2038-2042	92,520
2043-2048	33,924
2049-2051	50,166
Total	\$ <u>531,021</u>

7. FLOW OF FUNDS; RESTRICTIONS ON USE - ENTERPRISE FUND REVENUE

As of June 30, 2023, the Village of Harrisonburg has three issues of sewer revenue bonds outstanding. The flow of funds and restrictions on use are governed by the bond indentures and the note resolution, the terms of which are summarized as follows:

- (a) For the payment of all expenses of operation and maintenance of each system.
- (b) For the maintenance of a bond or note redemption account, by transferring sufficient amounts to pay all principal and interest falling due in the ensuing twelve months.
- (c) For the maintenance of a reserve account, by making designated payments as follows:

Sewer - There should be deposited ten percent (10%) of the amount to be paid into the redemption account, until such time as there has been accumulated therein the sum of \$26,500.

- (d) For the maintenance of a contingency and depreciation account, by making designated payments as follows:

Sewer - There should be deposited one hundred fifty-three dollars (\$153.00) per month commencing with the month following completion of the improvements to the system.

As of June 30, 2023, the Village of Harrisonburg has one issue of water revenue bonds outstanding. The flow of funds and restrictions on use are governed by the bond indentures and the note resolution, the terms of which are summarized as follows:

- (a) 2021 Water Revenue Bond Sinking Fund (The Debt Service Fund)

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

The debt service fund is designed to achieve a proper matching of revenues and debt service on the bonds, as shown on Exhibit B attached to Water Revenue Bonds Documents.

The Village records restrictions to indicate that a portion of its net assets/fund balances are legally restricted for a specific future use. The following is a list of such restrictions and a description of each:

Restricted - Revenue Bonds

This amount represents monies restricted as required by the revenue bond indentures.

At June 30, 2023, the Enterprise Fund Net Position were restricted for the purposed noted above as follows:

Revenue Bond Reserve Fund	\$	32,492
Depreciation and Contingencies Fund		22,370
Accrued Interest		(1,451)
Current Bonds Payable		<u>(23,436)</u>
Total	\$	<u>29,975</u>

8. LITIGATION

The Village of Harrisonburg is involved in no litigation at June 30, 2023, which is not covered by the Village's applicable insurance policies or is considered to be significant to the Village's financial statements.

9. PENSION PLAN

The Village employees are covered under the social security system.

10. TRANSFERS BETWEEN FUNDS

	<u>Governmental Funds</u>	<u>Enterprise Fund</u>
Transfers In (Out)	\$ <u>327,362</u>	<u>(327,362)</u>

Transfers were made for operational purposes.

11. UTILITY RELOCATION ASSISTANCE FUNDING (URAF)

Chapter 3 § 301(c) of the Louisiana Administrative Code states that “URAF funding is neither a loan nor a grant and there is no interest charged on this money. However, the utility must repay this money eventually, or it will not be allowed to locate its facilities within highway right-of-way”.

This transaction, occurring in the 2015 fiscal year, was recorded as a capital grant and capitalized as fixed assets (Utility Relocation) in the enterprise fund in 2015.

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

12. ELECTED OFFICIAL'S SALARIES

<u>Name</u>	<u>Term</u>	<u>Title</u>	<u>Annualized Salary</u>
Michael Tubre 757 Bushley St Harrisonburg, LA 71340 (318) 744-5613	2007 - Present	Mayor	\$ 9,600
Judy Cotten PO Box 408 Harrisonburg, LA 71340 (318) 557-8256	2015 - Present	Alderman	\$ 4,800
Greg Terry PO Box 262 Harrisonburg, LA 71340 (318) 744-5547	2007 - Present	Alderman	\$ 4,800
Blake Barbo PO Box 67 Harrisonburg, LA 71340 (318) 758-1691	2022 - Present	Alderman	\$ 4,800
Lyndell Atkins PO Box 443 Harrisonburg, LA 71340 (318) 403-8647	2012 - Present	Chief of Police	\$ 39,135

13. SCHEDULE OF INSURANCE

<u>Type</u>	<u>Agent</u>	<u>Amount</u>	<u>Date Expired</u>
General Liability	Louisiana Municipal Risk Management Agency	\$500,000	10/18/2023
Law Enforcement Officer – Government Crime Policy	Louisiana Municipal Risk Management Agency	\$500,000	10/18/2023
Errors & Omissions	Louisiana Municipal Risk Management Agency	\$500,000	10/18/2023
Auto Liability	Louisiana Municipal Risk Management Agency	\$500,000	10/18/2023

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

14. SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date though, November 2, 2023, of the independent auditor’s report for potential recognition or disclosure in the financial statements.

15. EXCESS EXPENDITURE OVER APPROPRIATIONS

The Entity over spent its budget by \$179,053 or 65.1%.

16. WATER, SEWER, & GAS RATES

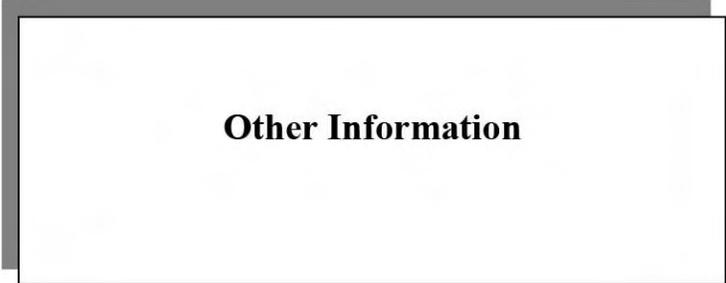
<u>Water: (524 Customers)</u>	<u>Minimum Charge</u>	<u>Next</u>
Commercial	\$ 18.00 for 1 st 2,000 gals. water used	\$.0035 per gallon water used thereafter
Residential	\$ 18.00 for 1 st 2,000 gals. water used	\$.0035 per gallon water used thereafter
Schools	\$ 50.00 for 1 st 2,000 gals. water used	\$.0035 per gallon water used thereafter
Housing Authority Prison	\$ 81.00 for 1 st 2,000 gals. water used	\$.0035 per gallon water used thereafter
<u>Sewer: (149 Customers)</u>		
Residential	\$ 18.00 for 1 st 2,000 gals. water used	\$.0035 per gallon water used thereafter
School	\$ 50.00 for 1 st 2,000 gals. water used	\$.0400 per gallon water used thereafter
Housing Authority	\$ 50.00 for 1 st 2,000 gals. water used	\$.0400 per gallon water used thereafter
Prison	\$750.00 for 1 st 2,000 gals. water used	\$.0500 per gallon water used thereafter
<u>Gas: (474 Customers)</u>		
<u>Flexible</u>		
Residential	<ul style="list-style-type: none"> • Inside city limits- \$20.00 flat fee plus \$0.90 per Ccf Annual CPI • Outside city limits- \$21.00 flat fee plus \$1.00 per Ccf Annual CPI 	
Commercial	<ul style="list-style-type: none"> • Inside city limits- \$20.00 flat fee plus \$0.90 per Ccf Annual CPI • Outside city limits- \$21.00 flat fee plus \$1.00 per Ccf Annual CPI 	
Prison	\$ 15.00 flate rate plus \$0.90 per Ccf Annual CPI	

Required Supplemental Information

Village of Harrisonburg, Louisiana
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget & Actual
General Fund
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees & Charges	\$ 51,000	\$ 55,000	\$ 323,959	\$ 268,959
Taxes	48,000	52,000	51,568	(432)
Fines	1,000	8,000	3,564	(4,436)
Capital Contributions	-0-	-0-	70,250	70,250
Other Revenue	8,200	10,300	34,514	24,214
Total Revenues	108,200	125,300	483,855	358,555
Expenditures				
General Government	105,000	75,000	120,365	(45,365)
Public Safety:				
Police	115,000	115,000	137,950	(22,950)
Fire	10,000	12,000	82,433	(70,433)
Sanitation	60,000	63,000	43,055	19,945
Debt Service	-0-	-0-	-0-	-0-
Capital Outlay	10,000	10,000	70,250	(60,250)
Total Expenditures	300,000	275,000	454,053	(179,053)
Excess (Deficiency) of Revenues Over Under Expenditures	(191,800)	(149,700)	29,802	179,502
Other Financing Sources (Uses)				
Transfers In/(Out)	190,000	180,000	327,362	147,632
Total Other Financing Sources (Uses)	190,000	180,000	327,362	147,632
Net Change in Fund Balance	\$ (1,800)	\$ 30,300	357,164	\$ 327,134
Fund Balances - Beginning			158,310	
Fund Balances - Ending			\$ 515,474	

See independent auditor's report.



Other Information

Village of Harrisonburg, Louisiana
Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2023

Honorable Michael Tubre, Mayor

Purpose	Amount
Salary	\$ 9,600
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

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

See independent auditor's report.

**Village of Harrisonburg
Harrisonburg, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

<u>Federal Grantor/Pass or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures (\$)</u>
Coronavirus State and Local Fiscal Recovery Funds			
Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>58,718</u>
Drinking Water State Revolving Fund Cluster-Cluster			
United States Environmental Protection Agency Capitalization Grants for Drinking Water State Revolving Funds	66.468		<u>1,855,679</u>
Department of Housing and Urban Development Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228		<u>698,723</u>
Total Other Programs			<u>2,613,120</u>
Total Expenditures of Federal Awards			<u>\$ 2,613,120</u>

See independent auditor's report.
The accompanying notes are an integral part of this statement

**VILLAGE OF HARRISONBURG
HARRISONBURG, LOUISIANA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023**

Note A – Single Audit Requirements

In July 1996, the Single Audit Act Amendments of 1996 (1996 Act) were enacted and superseded the Single Audit Act of 1984. In June 1997 OMB issued a revised Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, to implement the changes from the 1996 Act and to rescind Circular A-128. On 06/27/2003 OMB Circular A-133 was revised for fiscal years ending 12/31/2003 and forward. For 2015 and forward OMB Circular A-133 has been superseded in its entirety by OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance) which changes the single audit threshold to \$750,000

The business type funds used to account for these funds use the accrual basis of accounting.

1.) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Village. The Village reporting entity is defined in Note 1 to the Village's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

2.) Basis of Accounting

The accompanying Schedule of expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Village's basic financial statements.

3.) Relationship To Basic Financial Statements

Federal award revenues are reported in the Village's basic financial statements as follows:

General:		
Coronavirus State and Local Fiscal Recovery	\$	58,718
Capitalization Grants for Drinking Water State Revolving Funds		1,855,679
Community Development Block Grants/State's Program		698,723
Total	\$	<u>2,613,120</u>

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with U.S. generally accepted accounting principles.

4.) Federal Awards

"Federal awards" do not include the Village's other state grants.

**VILLAGE OF HARRISONBURG
HARRISONBURG, LOUISIANA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023**

5.) INDIRECT COST RATE

The Village has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Presented for purposes of additional analysis only.

**Village of Harrisonburg
Harrisonburg, Louisiana
Justice System Funding Schedule – Collecting/Disbursing Entity
Year Ended June 30, 2023**

	<u>First Six Months Ended 12/31/2022</u>	<u>Second Six Months Ended 06/30/2023</u>
Beginning Balance of Amounts Collected	\$	\$
Add: Collections		
Criminal Fines – Other	2,376	1,233
Subtotal Collections	<u>2,376</u>	<u>1,233</u>
Less: Disbursements to Governments & Nonprofits		
LA Commission on Law Enforcement	189	163
LA Supreme Court Education Fund	4	-0-
CMIS	15	22
Judicial College Fund	3	9
LDH-THSCI Trust Fund	10	-0-
North LA Criminalistics Lab	40	140
Less: Amounts Retained by Collecting Agency		
Amounts Self-Disbursed – Criminal Fines – Other	2,115	899
Subtotal Disbursements/Retainage	<u>2,376</u>	<u>1,233</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	<u>-0-</u>	<u>-0-</u>
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected		
Total Waivers During the Fiscal Period	\$ -0-	\$ -0-

See independent auditor's report.

**Village of Harrisonburg
Harrisonburg, Louisiana
Schedule of Loans and Grants
Year Ended June 30, 2023**

	<u>DWRLF Water</u>	<u>LCDBG</u>	<u>ARP</u>	<u>LGAP CWF</u>
Revenues				
Loan Proceeds	\$ 1,855,679	\$ -0-	\$ -0-	\$ -0-
Grants	-0-	698,723	58,718	83,071
Total Revenue	<u>1,855,679</u>	<u>698,723</u>	<u>58,718</u>	<u>83,071</u>
Expenditures				
Administration	33,775	-0-	58,718	12,821
Engineering	177,672	21,894	-0-	-0-
Construction	1,310,964	676,829	-0-	-0-
Capital Outlay	333,268	-0-	-0-	70,250
Total Expenditures	<u>1,855,679</u>	<u>698,723</u>	<u>58,718</u>	<u>83,071</u>
Excess (Deficiency of revenues over (under) Expenditures				
	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

Note: DWRLF Water Loan Proceeds are forgiven when received.

See independent auditor's report.

Other Reports

John R. Vercher C.P.A.
john@verchergroup.com

Jonathan M. Vercher M.S., C.P.A.
jonathan@verchergroup.com

David R. Vercher M.B.A., C.P.A., C.F.E.
david@verchergroup.com

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

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

The Honorable Michael Tubre, Mayor
& Members of the Village Council
Harrisonburg, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the business type activities of the Village of Harrisonburg, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Harrisonburg's basic financial statements, and have issued our report thereon dated November 2, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Harrisonburg's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Harrisonburg's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Harrisonburg'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain

deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items **(2023-1 Small Size of Entity and 2023-2 Collecting cash payments for tickets)** that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Harrisonburg's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing* and which are described in the accompanying Schedule of Findings and Questioned Costs as item. **[2023-3 Budget Variance]**.

Village of Harrisonburg's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Harrisonburg's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Village of Harrisonburg'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.

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

The Vercher Group

Jena, Louisiana

November 2, 2023

John R. Vercher C P A
john@verchergroup.com

Jonathan M. Vercher M.S., C P A
jonathan@verchergroup.com

David R. Vercher M.B.A., C P A . C.F.E.
david@verchergroup.com

THE VERCHER GROUP

A Professional Corporation of

Certified Public Accountants

P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Village of Harrisonburg
Harrisonburg, LA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Village of Harrisonburg's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Village of Harrisonburg's major federal programs for the year ended June 30, 2023. The Village of Harrisonburg's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village of Harrisonburg complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Village of Harrisonburg and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Village of Harrisonburg's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of

laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Village of Harrisonburg's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village of Harrisonburg's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village of Harrisonburg's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Village of Harrisonburg's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Village of Harrisonburg's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village of Harrisonburg's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all

deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The Vercher Group

Jena, Louisiana

November 2, 2023

**VILLAGE OF HARRISONBURG
HARRISONBURG, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2023**

We have audited the basic financial statements of the Village of Harrisonburg, Louisiana, as of and for the year ended June 30, 2023, and have issued our report thereon dated November 2, 2023. We conducted our audit in accordance with generally accepted auditing standards and the standards in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I - Summary of Auditor's Results

Our audit of the financial statements as of June 30, 2023, resulted in an unmodified opinion.

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

Internal Control

Material Weaknesses Yes Significant Deficiencies Yes

Compliance

Compliance Material to Financial Statements Yes

b. Federal Awards

Internal Control

Material Weaknesses Yes Other Conditions Yes

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

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

Yes No

c. Identification of Major Programs:

CFDA Number (s)	Name of Federal Program (or Cluster)
66.468	Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000

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

**VILLAGE OF HARRISONBURG
HARRISONBURG, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2023**

Section II - Financial Statement Findings

2023-1 Small Size of Entity (Internal Control)

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

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

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

Effect of Condition: Significant deficiency in internal controls.

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

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

Contact Person: Mike Tubre, Mayor

Anticipated Completion Date: N/A

2023-2 Collecting Cash payments for Tickets without receipts (Internal Control)

Condition: Inquiry of employees found that on occasions some employees have been collecting cash payments for fines before they are computer processed without receipts.

Criteria: All tickets written should be recorded in the ticket books and payment or disposition of the fine documented.

Cause of Condition: Not documenting payment or disposition of cash fines collected.

Effect of Condition: Significant deficiency in internal controls.

Recommendation: All tickets written should be computer processed and cash payments or disposition of the fine(s) documented.

Client Response and Corrective action: All tickets written will be recorded in the ticket books and payment or disposition of the fine documented.

**VILLAGE OF HARRISONBURG
HARRISONBURG, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2023**

Section II - Financial Statement Findings (Cont.)

Contact Person: Mike Tubre, Mayor

Anticipated Completion Date: June 30, 2024

2023-3 Budget Variance

Condition: Village of Harrisonburg had an unfavorable expenditure variance of \$179,053 or 65.1% in its general fund budget for the year ended June 30, 2023.

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

Cause of Condition: The Village underbudgeted expenditures.

Effect of Condition: The general fund has an unfavorable expenditure variance and violates the Budget Act.

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

Client Response: The management of the Village will begin amending the budget if the expenditure exceeds 5%.

Contact Person: Mike Tubre, Mayor

Anticipated Completion Date: June 30, 2024

Section III – Federal Awards Findings and Questioned Costs

No items identified.

John R. Vercher C P A
john@verchergroup.com

Jonathan M. Vercher M.S., C P A
jonathan@verchergroup.com

David R. Vercher M.B.A., C.P.A., C.F.E.
david@verchergroup.com

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

**P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374**

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are situations that may be improved (if any) and recommendations for improvements.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No items identified.

**VILLAGE OF HARRISONBURG
HARRISONBURG, LOUISIANA
JUNE 30, 2023**

MANAGEMENT’S SUMMARY OF PRIOR YEAR FINDINGS

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

The management of the Village of Harrisonburg, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2022.

Prior Year Findings

2022-1 Small Size of Entity (Unresolved)

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

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

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

Effect of Condition: Significant deficiency in internal controls.

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

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

Contact Person: Mike Tubre, Mayor

Anticipated Completion Date: N/A

2022-2 Annual Filing of Financial Statements (Resolved)

Condition: The Village did not timely file their financial statements with the Legislative Auditor on a timely basis.

VILLAGE OF HARRISONBURG
HARRISONBURG, LOUISIANA
JUNE 30, 2023

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

Criteria: LSA-RS 24:514, LSA-RS 33:463 and/or LSA-RS 39:92, as applicable, require that governmental units file their financial statements annually with the Legislative Auditor's Office within six months of the entity's year end closing.

Cause of Condition: Not having the financial statements completed on time.

Potential Effect of Condition: Compliance finding and a freeze on grant funding.

Recommendation: The Village should have their audit completed in time to file with the Legislative Auditor's Office within six months of the Village's year end closing.

John R. Vercher C.P.A.
john@verchergroup.com

Jonathan M. Vercher M.S., C.P.A.
jonathan@verchergroup.com

David R. Vercher M.B.A., C.P.A., C.F.E.
david@verchergroup.com

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

**P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374**

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Village of Harrisonburg 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 Harrisonburg's management is responsible for those C/C areas identified in the SAUPs.

The Village of Harrisonburg 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.

Written Policies and Procedures

1. 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:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.
- l) **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.

No exceptions noted in the procedures performed.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe 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. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

- d) 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.

No exceptions noted in the procedures performed.

Bank Reconciliations

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

No exceptions noted in the procedures performed.

Collections (excluding electronic funds transfers)

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

The Village only has one site.

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

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions noted in the procedures performed.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions noted in the procedures performed.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe 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).
 - e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted in the procedures performed.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

- e) 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.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions noted in the procedures performed.

11. Using the entity's main operating account and the month selected in Bank Reconciliation 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.

No exceptions noted in the procedures performed.

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

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted in the procedures performed.

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies

precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions noted in the procedures performed.

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

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

No exceptions noted in the procedures performed.

Contracts

16. 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.
17. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe 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, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted in the procedures performed.

Payroll and Personnel

18. 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.
19. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions noted in the procedures performed.

20. 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, 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 or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

No exceptions noted in the procedures performed.

21. 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.

No exceptions noted in the procedures performed.

Ethics

22. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

23. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted in the procedures performed.

Debt Service

24. 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 State Bond Commission approval was obtained for each debt instrument issued.
25. 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).

No exceptions noted in the procedures performed.

Fraud Notice

26. 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.
27. Observe 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.

No exceptions noted in the procedures performed.

Information Technology Disaster Recovery/Business Continuity

28. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) 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.

Prevention of Sexual Harassment

29. 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.
30. Observe 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).
31. 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 it includes the applicable requirements of R.S. 42:344:
 1. Number and percentage of public servants in the agency who have completed the training requirements;
 2. Number of sexual harassment complaints received by the agency;
 3. Number of complaints which resulted in a finding that sexual harassment occurred;
 4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 5. Amount of time it took to resolve each complaint.

No exceptions noted in the procedures performed.

We were engaged by The Village of Harrisonburg 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 Harrisonburg 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.

The Vercher Group

Jena, Louisiana

November 2, 2023

