

VILLAGE OF RICHMOND, LOUISIANA
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023
With
INDEPENDENT AUDITOR'S REPORT

VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA

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RICHMOND, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of
The Board of Aldermen
Village of Richmond
Richmond, Louisiana

Report on the Financial Statements

Opinions

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

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

Basis for Opinions

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

The Honorable Mayor, and Members of
The Board of Aldermen
Village of Richmond
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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America 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'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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement of a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village'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 schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider 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 Richmond's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not part of the basic financial statements.

The Honorable Mayor, and Members of
The Board of Aldermen
Village of Richmond
Page Four

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 Compensation, Benefits, and Other Payments to the Agency Head or Chief Executive Officer is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Governmental Auditing Standards, we have also issued our report dated December 9, 2023, on our consideration of the Village of Richmond, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Richmond, Louisiana's internal control over financial reporting and compliance.

The Halford Firm, PLLC

Vicksburg, Mississippi
December 9, 2023

REQUIRED SUPPLEMENTARY INFORMATION

PART I

VILLAGE OF RICHMOND
MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Village of Richmond, Louisiana's financial performance provides an overview of the Village's financial activities for the year ended June 30, 2023. Please review it in conjunction with the Village's basic financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

The Village's net position increased \$311,624 as a result of this year's operations. This increase is due to the Village maintaining operating costs below revenue level.

During the year, the Village had total expenditures of \$785,571 in governmental funds, most of which was for general government.

Total general fund revenue for the Village for the current year was \$882,089. This was an increase of \$128,824 from the previous year. This increase is mainly due to grant revenue.

Total general fund expenditures were \$722,477 or \$241,477 more than the prior year. The change in expenditures was as follows:

	Current Year	Prior Year	Change
General Government	\$ 324,668	\$ 336,387	\$ (11,719)
Public Safety	13,012	4,500	8,512
Public Works	154,735	102,568	52,167
Recreation	25,330	28,420	(3,090)
Capital Outlay	204,732	9,125	195,607
Total	<u>\$ 722,477</u>	<u>\$ 481,000</u>	<u>\$ 241,477</u>

Overview of the Financial Statements

This Management's Discussion and Analysis document introduces the Village of Richmond's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the financial activities as a whole and illustrate a longer-term view of the Village's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The government-wide financial statements provide short-term and long-term information about the Village's financial statements as a whole.

The Village of Richmond's government-wide financial statements include a Statement of Net position (page 10) and Statement of Activities (page 11), which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the Statement of Net Position is to report all of the assets held and liabilities owed by the Village using the full accrual basis of accounting. The Village reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred.

The difference between the Village's total assets and total liabilities is reported as net position and this difference is similar to the total owner's equity presented by a commercial enterprise. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health is improving or deteriorating.

The purpose of the Statement of Activities is to present the revenues and expenses of the Village. Again, the items presented on the Statement of Activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied, and expenses are reported when incurred by the Village. Thus, revenues are reported even though they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

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 of Richmond, Louisiana, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Fund Balance Sheet and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village adopts an annual budget for all funds. A budgetary comparison statement is provided to demonstrate compliance with this budget.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's performance.

REPORTING ON THE VILLAGE OF RICHMOND AS A WHOLE

The following table reflects a condensed statement of the Village's net position as of June 30, 2023, and 2022.

CONDENSED STATEMENT OF NET POSITION
Years Ended June 30, 2023, and 2022

	2023	2022
Assets		
Current and other assets	\$ 1,676,609	\$ 1,579,037
Capital assets, net of accumulated depreciation	602,160	429,438
Total Assets	<u>2,278,769</u>	<u>2,008,475</u>
Liabilities		
Current and other liabilities	89,573	84,903
Long-term debt	380,000	426,000
Total Liabilities	<u>469,573</u>	<u>510,903</u>
Net Position		
Invested in capital assets, net of related debt	602,160	429,438
Restricted	73,710	100,690
Unrestricted	1,133,326	967,444
Total Net Position	<u>\$ 1,809,196</u>	<u>\$ 1,497,572</u>

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Richmond, assets exceed liabilities at the close of the fiscal year, by \$1,809,196 in 2023, and \$1,497,572 in 2022. Of these amounts \$602,160, or 33%, and \$429,438, or 29% of the total net position, represent the investment of the Village in capital assets net of related debt. Net position of \$1,133,326 for 2023, and \$967,444 for 2022, which are technically unrestricted, need to be viewed in light of information in the fund financial statements.

Management's Discussion and Analysis
Page Four

The following table reflects the condensed Statement of Activities:

CONDENSED STATEMENT OF ACTIVITIES		
Years Ended June 30, 2023, and 2022		
	2023	2022
Revenues		
Taxes	\$ 572,568	\$ 476,145
Recreation	14,449	10,339
License & permits	19,382	19,512
Interest income	22,336	5,611
Public works	96,984	98,732
Intergovernmental	130,764	100,764
Other	25,628	40,621
Total	882,111	751,724
Expenses		
General government	337,419	345,531
Public safety	13,012	4,500
Public works	188,062	138,081
Recreation	31,994	35,084
Total	570,487	523,196
Change in Net Position	311,624	228,528
Net Position - beginning	1,497,572	1,269,044
Net Position - ending	\$ 1,809,196	\$ 1,497,572

As reported in the Statement of Activities, the cost of governmental activities for 2023 and 2022 was \$570,487 and \$523,196.

Financial Analysis of the Government's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of June 30, 2023, combined governmental fund balances of \$1,638,881 showed an increase of \$96,540 from the June 30, 2022, balance.

Budgetary Highlights

The Village's budget is prepared according to Louisiana law.

A budgetary comparison schedule showing the Village of Richmond's budget compared with actual operating results is provided in the report that follows.

Economic Factors and Next Year's Budgets

The Village considered many factors when setting the 2024 budget.

Revenues and expenditures of the Village's funds are expected to remain fairly consistent with the 2023 fiscal year, with the exception of American Rescue Plan intergovernmental revenue and capital outlay.

Capital Assets and Debt Administration

Capital assets. The Village's capital assets for its governmental activities as of June 30, 2023, amount to \$602,160 (net of accumulated depreciation). This investment includes land, buildings, sewer plant, furniture, equipment, and automobiles. The increase in capital assets for the year was \$172,722.

CONTACTING THE VILLAGE'S MANAGEMENT

This financial report is designed to provide a general overview of the Village of Richmond'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 the Village's Office at 598 Wood Street, Richmond, Louisiana 71282.

BASIC FINANCIAL STATEMENTS

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2023**

	<u>Governmental Funds</u>
Assets	
Cash and cash equivalents	\$ 276,703
Investments	1,318,886
Accounts receivable	79,810
Interest receivable	1,135
Other assets	75
Capital assets - net	602,160
Total Assets	<u>2,278,769</u>
 Liabilities	
Accounts payable	32,869
Payroll taxes payable	4,860
Accrued interest payable	5,844
Noncurrent Liabilities:	
Due within one year	46,000
Due in more than one year	380,000
Total Liabilities	<u>469,573</u>
 Net Position	
Invested in capital assets	602,160
Restricted	73,710
Unrestricted	1,133,326
Total Net Position	<u>\$ 1,809,196</u>

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenue			Net Revenue (Expenses) Governmental Activities
		Charges for Services	Capital Grants	Operating Grants	
General government	\$ 337,419	\$ -	\$ -	\$ -	\$ (337,419)
Public safety	13,012	-	-	-	(13,012)
Public works	188,062	96,984	130,764	-	39,686
Recreation	31,994	14,449	-	-	(17,545)
Total Government Activities	\$ 570,487	\$ 111,433	\$ 130,764	\$ -	(328,290)

General Revenues:

Sales tax and video poker	416,213
Property taxes	107,405
Franchise taxes	34,536
Fire protection service charge	14,414
License & permits	19,382
Building rent	23,125
Interest income	22,336
Other revenue	2,503
Total General Revenues	639,914
 Change in Net Position	 311,624
 Net Position, beginning	 <u>1,497,572</u>
 Net Position, ending	 <u>\$ 1,809,196</u>

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2023**

ASSETS	<u>Governmental Fund Types</u>		Total Governmental Funds
	<u>General</u>	<u>Capital Projects Fund</u>	
Assets			
Cash & cash equivalents	\$ 273,545	\$ 3,158	\$ 276,703
Investments	1,318,886	-	1,318,886
Accounts receivable	79,810	-	79,810
Interest receivable	1,135	-	1,135
Other assets	75	-	75
Total Assets	<u>1,673,451</u>	<u>3,158</u>	<u>1,676,609</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	32,869	-	32,869
Payroll tax payable	4,859	-	4,859
Total Liabilities	<u>37,728</u>	<u>-</u>	<u>37,728</u>
Fund Balance			
Assigned fund balance	-	3,158	3,158
Restricted fund balance	73,710	-	73,710
Unassigned fund balance	1,562,013	-	1,562,013
Total Fund Balance	<u>1,635,723</u>	<u>3,158</u>	<u>1,638,881</u>
Total Liabilities & Fund Equity	<u>\$1,673,451</u>	<u>\$ 3,158</u>	<u>\$1,676,609</u>

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Funds		\$ 1,638,881
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		602,160
Receivables collected more than 60 days after year end are not recorded on governmental funds.		-
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest payable	(5,845)	
Bond payable	<u>(426,000)</u>	
		<u>(431,845)</u>
Net Position of Governmental Activities		<u>\$ 1,809,196</u>

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>General</u>	<u>Capital Projects</u>	<u>Totals</u>
Revenue			
Taxes:			
Property	\$ 107,405	\$ -	\$ 107,405
Sales tax and video poker	416,213	-	416,213
Franchise	34,536	-	34,536
Fire protection service charge	14,414	-	14,414
Sewer fees	96,984	-	96,984
Licenses & permits	19,382	-	19,382
Rent	23,125	-	23,125
Interest	22,314	22	22,336
Intergovernmental	130,764	-	130,764
Other revenue	16,952	-	16,952
Total revenue	<u>882,089</u>	<u>22</u>	<u>882,111</u>
Expenditures			
Current:			
General government	324,668	-	324,668
Public safety	13,012	-	13,012
Public works	154,735	-	154,735
Recreation	25,330	-	25,330
Capital outlay	204,732	-	204,732
General Obligation Bond:			
Principal payment	-	44,000	44,000
Interest expense	-	19,094	19,094
Total expenditures	<u>722,477</u>	<u>63,094</u>	<u>785,571</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>159,612</u>	<u>(63,072)</u>	<u>96,540</u>
Other Financing Sources (Uses)			
Transfers in	-	63,094	63,094
Transfers out	<u>(63,094)</u>	<u>-</u>	<u>(63,094)</u>
Total Other Financing Sources (Uses)	<u>(63,094)</u>	<u>63,094</u>	<u>-</u>
Net Change in Fund Balance	96,518	22	96,540
Fund Balance - Beginning	<u>1,539,205</u>	<u>3,136</u>	<u>1,542,341</u>
Fund Balance - Ending	<u>\$ 1,635,723</u>	<u>\$ 3,158</u>	<u>\$ 1,638,881</u>

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES 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	\$ 96,540
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Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.	172,722
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Receivables collected more than 60 days from the Balance Sheet date are not recorded as income on governmental funds financial statements, but are on the Statement of Activities. Net change in amount	-
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The issuance of long-term debt 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. Bond principal payments	44,000
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Increase in accrued interest payable	<u>(1,638)</u>
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Change in Net Position of Governmental Activities	<u>\$ 311,624</u>
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The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

INTRODUCTION

The Village of Richmond, Louisiana (hereafter referred to as the Village) was created under the provisions of the Lawrason Act, Louisiana Revised Statute 33:321, August 28, 1973. Therefore, it operates under a Mayor - Board of Aldermen form of government.

The Mayor and three Alderpersons are elected at large every four years by the citizens of the Village.

The purpose of the municipality is to promote the general welfare, safety, health, peace, good order, comfort, convenience, and morals of its inhabitants.

The Village is situated in the northwest part of Madison Parish with a population of 554 people. Within the boundaries are approximately 16 miles of roads maintained by the Village. It is currently servicing 195 sewer customers and employs 8 people.

GASB Statement No.14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of this Statement the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No.14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes, or set rates or charges, and issue bonded debt. The Village does not have oversight of any other component units and therefore, no other government unit is included in the Village's financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. 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.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting 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.

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are 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 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 Village reports the following major governmental funds:

The **General Fund** is the Village'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 **Capital Projects Fund** accounts for grants and bonds that are designated for capital projects.

C. Cash and Cash Equivalents

Cash includes amounts in demand deposits. Under state law, the Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Certificates of deposit with maturities of 90 days or less are classified as cash equivalents, and those maturities exceeding 90 days are classified as investments,

D. Investments

Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. All investments of the Village are certificates of deposit held at local banks and the fair value is determined by the face value of the certificate.

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**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. Capital Assets

Under GASB Statement No. 34, capital assets, which include buildings, other improvements, machinery and equipment, vehicles, and furniture and fixtures, are reported and depreciated in the applicable governmental or business-type activities column of the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental fund statements.

As permitted by GASB Statement No. 34, the Village has elected not to capitalize infrastructure assets retroactively such as streets, sidewalks, drainage, and street lighting.

All purchased capital assets are recorded at cost. Donated capital assets are valued at fair market value at date of gift. Major additions are capitalized while maintenance and repairs that do not improve or extend the life of the respective assets are charged to expense. Interest is capitalized on funds used during construction of projects acquired with bonds.

Capital assets are depreciated over the estimated useful lives of the assets using the straight-line method. Estimated useful lives are as follows:

Buildings	40 years
Sewerage System	40 years
Office Equipment	5 to 10 years
Equipment	5 to 20 years
Vehicles	5 years

F. Fund Equity

Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

Restricted Fund Balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision, or by enabling legislation.

Committed Fund Balance - amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e., Mayor/Board of Aldermen). To be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance - amounts the Village intends to use for a specific purpose. The Mayor/Board of Aldermen express intent.

-continued

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

F. Fund Equity - continued

Unassigned Fund Balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Village establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Mayor/Board of Aldermen through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

G. Property Taxes

Ad valorem taxes were levied for 2023 at 5.27 mils for property tax, 2.00 mils for fire protection, and 14.6 mils for street improvements. These taxes, which attach as enforceable liens on property as of January 1, are levied in October, become due on receipt and until December 31, and become delinquent on January 1 of the following year. The taxes are generally collected in December of the current year and January and February of the following year.

H. Compensated Absences

Employees of the Village do not accrue or "carry forward" vacation or sick pay from year to year. Consequently, there is no liability for compensated absences.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. The estimates are the responsibility of management. Actual results can differ from those estimates.

J. Retirement Plan

The Village is not a participant in a retirement plan.

K. Fire Protection

The Village assesses a service charge for fire protection, an amount that would equal 2.00 mils of property tax.

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023 – continued**

NOTE 2 – CASH AND CASH EQUIVALENTS

At June 30, 2023, the Village had cash and cash equivalents totaling \$276,703 as follows:

Demand deposits	\$	157,692
Interest bearing demand deposits		119,011
Total		\$ 276,703

These deposits are stated at cost, which approximates market. Under state law, these deposits 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 accepted by both parties.

Although the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, 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 district attorney that the fiscal agent has failed to pay deposited funds upon demand.

As of June 30, 2023, the book balance of the Village's deposits was \$276,703, and the bank balance was \$294,668. Of the bank balance, \$294,668 was covered by federal deposit insurance and \$-0- by pledged securities.

NOTE 3 – INVESTMENTS

At June 30, 2023, the Village's investments were as follows:

	Carrying Amount	Market Value
Guaranty Bank and Trust Certificate of Deposit	\$ 1,133,446	\$ 1,133,446
Capital One Certificate of Deposit	185,440	185,440
Total	\$ 1,318,886	\$ 1,318,886

Of the \$1,318,886 of certificates of deposit, \$224,744 was secured from risk by federal deposit insurance and \$1,094,142 by pledged securities.

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023 – continued**

NOTE 4 – FIXED ASSETS

The changes in capital assets are as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Governmental Activities:				
Land	\$ 66,086	\$ -	\$ -	\$ 66,086
Building and improvements	248,743	-	-	248,743
Police equipment	8,174	-	-	8,174
Tractors	67,061	52,700	-	119,761
Mosquito equipment	44,742	-	-	44,742
Sewer plant and improvements	621,039	132,140	-	753,179
Equipment-Sewer	66,597	3,392	-	69,989
Ball park	172,073	-	-	172,073
Other equipment	144,820	16,500	-	161,320
Total Capital Assets	1,439,335	204,732	-	1,644,067
Less: Accumulated depreciation	(1,009,898)	(32,009)	-	(1,041,907)
 Net Capital Assets - governmental activities	 <u>\$ 429,437</u>	 <u>\$ 172,723</u>	 <u>\$ -</u>	 <u>\$ 602,160</u>

NOTE 5 – GENERAL LONG-TERM OBLIGATION

The Village issued \$790,000 of General Obligation Bonds, dated March 11, 2014, for the purpose of overlaying and improving public streets. The bonds bear interest at 3.42799% and are payable in semi-annual installments on March 1 and September 1 until maturity on March 1, 2031. The Village passed an ad valorem tax increase which is restricted for repayment of the bonds.

The debt service requirement to amortize the bonds outstanding at June 30, 2023, is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	46,000	17,774	63,774
2025	47,000	16,279	63,279
2026	49,000	14,634	63,634
2027	51,000	12,796	63,796
2028	53,000	10,808	63,808
2029-2031	180,000	17,505	197,505
 Total	 <u>\$ 426,000</u>	 <u>\$ 89,796</u>	 <u>\$ 515,796</u>

-continued

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023 – continued**

NOTE 6 – SUBSEQUENT EVENTS

Subsequent events were evaluated through December 9, 2023, the date the financial statements were available to be issued, and it was determined that no additional disclosures are necessary.

REQUIRED SUPPLEMENTARY INFORMATION

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget Original	Amended Original	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes- general	\$ 39,000	\$ 28,000	\$ 28,526	\$ 526
Service charge- fire protection	13,500	13,500	14,414	914
Street improvement tax	77,900	77,900	78,879	979
Franchise tax	19,100	33,100	34,536	1,436
Occupational licenses & permits	18,500	18,500	19,382	882
Sewer fees	93,000	93,000	96,984	3,984
Building rent	6,600	6,600	5,100	(1,500)
Civic Center rent	9,900	16,000	18,025	2,025
Interest	1,400	5,000	22,314	17,314
Grant	25,000	125,000	130,764	5,764
Other	23,150	12,800	16,952	4,152
Sales tax & video poker	314,700	354,000	416,213	62,213
Total Revenues	<u>641,750</u>	<u>783,400</u>	<u>882,089</u>	<u>98,689</u>
Expenditures				
Current - General Government				
Salaries	175,000	175,000	170,480	4,520
Advertising	4,875	4,875	964	3,911
Bank, bond & court fees	1,300	1,300	1,419	(119)
Beautification	-	-	1,826	(1,826)
Fire protection service	6,000	6,000	9,500	(3,500)
Dues & subscriptions	2,000	2,000	2,040	(40)
Fuel & oil	6,500	6,500	6,416	84
Insurance	34,000	34,000	21,918	12,082
Legal & accounting	21,000	21,000	15,435	5,565
Office expense	14,500	14,500	13,494	1,006
Postage	550	550	662	(112)
Repairs & maintenance	99,000	159,000	148,456	10,544
Supplies	27,500	27,500	25,992	1,508
Richmond Sports Complex	11,000	11,000	23,504	(12,504)
Miscellaneous	3,200	3,200	-	3,200
Payroll taxes	13,500	13,500	13,097	403
Telephone	9,000	9,000	9,896	(896)
Utilities	42,300	42,300	52,646	(10,346)
Capital outlay	75,000	190,000	204,732	(14,732)
Total expenditures	<u>546,225</u>	<u>721,225</u>	<u>722,477</u>	<u>(1,252)</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>95,525</u>	<u>62,175</u>	<u>159,612</u>	<u>97,437</u>
Other Financing Sources (Uses)				
Operating transfers out	(63,348)	(63,348)	(63,094)	254
Total other financing sources (uses)	<u>(63,348)</u>	<u>(63,348)</u>	<u>(63,094)</u>	<u>254</u>
Net Change in Fund Balance	32,177	(1,173)	96,518	97,691
Fund Balance - beginning	1,539,205	1,539,205	1,539,205	-
Fund Balance - ending	<u>\$ 1,571,382</u>	<u>\$ 1,538,032</u>	<u>\$ 1,635,723</u>	<u>\$ 97,691</u>

OTHER SUPPLEMENTARY INFORMATION

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
FOR THE YEAR ENDED JUNE 30, 2023**

The following information is provided in compliance with House Concurrent Resolution No. 54 of the Louisiana Legislature.

<u>Name</u>	<u>Amount</u>
Mayor Olga Butler	\$ 17,542
Mayor Preston Walker	16,567
Alderman Lamar Walters	2,250
Alderwoman Margaret Leoty	4,500
Alderman Curtis Collins	2,250
Alderman Walter Cobb	<u>4,500</u>
 Total	 <u>\$ 47,609</u>

VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS,
OTHER PAYMENTS TO AGENCY HEAD
JUNE 30, 2023

Olga Butler, Mayor

Salary & expense	<u>\$ 18,884</u>
Total	<u><u>\$ 18,884</u></u>

Preston Walker, Mayor

Salary & expense	<u>\$ 17,835</u>
Total	<u><u>\$ 17,835</u></u>

**COMPLIANCE REPORTING AND OTHER SCHEDULES REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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Certified Public Accountants

Mississippi Society of
Certified Public Accountants

Louisiana Society of
Certified Public Accountants

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*

Honorable Mayor and Members
Of the Board of Aldermen
Village of Richmond, Louisiana

We have audited the financial statements of the Village of Richmond as of and for the year ended June 30, 2023, and have issued our report thereon dated December 9, 2023. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village of Richmond's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify one deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 23-01 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Richmond's financial statements are free of 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 no instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Village of Richmond, management, others within the organization, and applicable State Auditors and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

The Halford Firm, PLLC

December 9, 2023

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023**

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the annual financial statements of the Village of Richmond, Louisiana.
2. No instances of noncompliance material to the financial statements were disclosed during the audit of the financial statements.
3. One significant deficiency relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

FINDINGS - FINANCIAL STATEMENTS AUDIT

23-01- Segregation of Duties

Condition: The Village of Richmond does not have an adequate segregation of employee duties for effective internal control.

Criteria: Segregation of Duties (SOD) is a basic building block of sustainable risk management and internal controls for a business. The principle of SOD is based on shared responsibilities of a key process that disperses the critical functions of that process to more than one person or department.

Cause: The size of the Village of Richmond and the limited number of employees does not permit an adequate segregation of employee duties for effective internal control.

Effect: Without this separation in key processes, fraud and error risks are far less manageable.

Recommendation: To the extent that it is practical to do so, management should segregate employee duties and perform supervisory reviews.

Management's Response: Based upon the cost-benefit of additional personnel and the size of the office staff, it is not feasible to add additional personnel to achieve complete segregation of duties.

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

The following is a summary of the status of the prior year findings included in the auditor's report dated January 13, 2023, covering the examination of the financial statements of the Village of Richmond, Louisiana as of and for the year ended June 30, 2022.

22-01 – Segregation of Duties

Finding:

During our audit we noted that the size of the Village of Richmond and the limited number of employees does not permit an adequate segregation of employee duties for effective internal control. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Status:

This finding was not resolved by June 30, 2023, and is a repeat finding for the current year.

22-02 – Failure to File Audit Report Timely

Finding:

The audit report was not submitted by December 31, 2022.

Status:

This finding has been resolved.

**STATEWIDE
AGREED-UPON PROCEDURES**

THE HALFORD FIRM, PLLC

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of The Village of Richmond
and the Louisiana Legislative Auditor,

We have performed the procedures enumerated below, which were agreed to by the Village of Richmond and the Louisiana Legislative Auditor (LLA), solely to assist the users in evaluating management's assertions about the Village of Richmond's compliance with certain laws and regulations during the fiscal year ended June 30, 2023, included in the Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures (SAUPs). The Village of Richmond's management is responsible for those control and compliance (C/C) areas identified in the SAUPs.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Governmental Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe 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).

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Written Policies and Procedures - continued

- e) **Payroll/Personnel**, including (1) payroll processing, and (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) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **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)
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-11121, (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.

In examining written procedures, we noted the following exceptions. The Village does not have written policies and procedures for budgeting, contracting, debt service, and disaster relief.

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 meets with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The board met with a quorum at least monthly.

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Written Policies and Procedures – continued

Board or Finance Committee-continued

- 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. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

The board reviews their financial statements monthly, which included actual to budget comparisons.

- 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.

The general fund did not have a negative fund balance in the prior year audit report.

- 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.

The Village had two audit findings in the prior year audit report (Segregation of Duties and Failure to Report Timely). Due to the limited number of employees, the Village cannot achieve complete separation of duties. The Failure to Report Timely Finding has been resolved.

Bank Reconciliations

3. Obtain a listing of the 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, electronically logged).

No exception noted.

- b) Bank reconciliations include evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

There was no evidence reconciliations were reviewed by management.

-continued

Written Policies and Procedures – continued

Bank Reconciliations-continued

- 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.

There were not any checks outstanding for 12 months.

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 has only one deposit 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 there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.

The Village clerk and assistant share a cash drawer.

- b) Each employee responsible for collecting cash is also 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.

The employee collecting cash is responsible for preparation of the deposit slips and does make the deposit.

- c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

The employees responsible for collecting cash do not record the general ledger.

- 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, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

The employees responsible for reconciling cash collection to the general ledger are not responsible for collecting cash.

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

All employees are covered by a bond.

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Written Policies and Procedures – continued

Collections (excluding electronic funds transfers) - continued

7. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3 (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.
Receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, systems report, and other related collection documentation to the deposit slip.
No exception noted.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
No exception noted.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
Deposits are made once a week (Thursday).
 - e) Trace the actual deposit per the bank statement to the general ledger.
No exception noted.

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).
The Village has only one location that processes payments.
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 jobs duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
At least two employees are involved in the above procedures.

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Written Policies and Procedures – continued

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

- b) At least two employees are involved in processing and approving payments to vendors.

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.

Employees responsible for processing payments are not prohibited from adding/ modifying 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.

The mayor signs the checks, but another employee mails them.

- 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 other electronic means.

No exception noted.

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, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity.

No exception noted.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

The Village stated that due to its size it was not cost effective to hire enough employees to segregate responsibilities.

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Written Policies and Procedures – continued

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

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedures #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 exception noted.

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.

The Village has one credit card.

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. (Those instances requiring such approval may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported).

Supporting documentation was obtained for all tested items and no exceptions were found.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

There were not any finance charges or late fees on the statements tested.

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Written Policies and Procedures – continued

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

14. Using the monthly statements or combined statements selected under procedure #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, (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

The Village had supporting documentation for all tested transactions.

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 that the approved reimbursement rate to no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov)

The Village does not have per diem reimbursement.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

The Village had supporting documentation with business purposes for all listed transactions.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies Procedures procedure #1h.

No exception noted.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exception noted.

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Written Policies and Procedures – continued

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, lease, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid on in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
No exception noted.
 - 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).
No exception noted.
 - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).
No exception noted.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.
No exception noted.

Payroll and Personnel

17. Obtain a listing employees/elected official 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.
The Village supplied the list of employees.
18. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
All tested attendance and leave time were documented.
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
The Mayor or Clerk approved all tested attendance and leave.

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Written Policies and Procedures – continued

Payroll and Personnel-continued

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exception noted.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exception noted.

19. 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.

The Village did not make any termination payments in the year under review.

20. 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.

Payroll reports and payments thereon were reviewed in the audit procedures. No exception noted. The Village does not provide health insurance or retirement benefits. Worker's Compensation premiums were paid.

Ethics

21. Using the 5 randomly selected employees/officials from procedure Payroll and Personnel procedure #17 obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.

All employees completed a one-hour ethics training course during the year.

- b) Observe that 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.

There were not any changes to the ethics policy in the audit period.

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

The mayor is the ethics designee.

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Written Policies and Procedures – continued

Debt Service

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

The Village did not issue any debt in the year under review.

24. Obtain a listing of bond/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 assets funds, or other funds required by the debt covenants).

The actual reserve balance and payments agree with the requirements of the debt covenants.

Fraud Notice

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

The management of the Village of Richmond is not aware of any misappropriations in the year under review.

26. Observe that the entity has posted on its premises and website the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

The Village of Richmond has the required notice posted in the office. The entity does not maintain a website.

Information Technology Disaster Recovery/Business Continuity

27. 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, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

The Village does backups weekly, but they are stored on site.

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Written Policies and Procedures – continued

Information Technology Disaster Recovery/Business Continuity-continued

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

The Village does not have documentation that it has tested its backups.

- 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.

The Village has only one computer which was for clerical functions only.

- 28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

One terminated employee and he never had access to the network.

Prevention of Sexual Harassment

- 29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17 above, obtain sexual harassment training documentation from management, and observe 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.

All tested employees had required sexual harassment training.

- 30. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

The Village has posted its sexual harassment policy.

- 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 that the report includes the applicable requirements of R.S. 42:344:

The Village has not filed any sexual harassment reports.

- a) Number and percentage of public servants in the agency who have completed the training requirements.

nine of nine = 100%

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Written Policies and Procedures – continued

Sexual Harassment-continued

- b) Number of sexual harassment complaints received by the agency.

The Village did not receive any sexual harassment complaints in the year under review.

- c) Number of complaints which resulted in a finding that sexual harassment occurred.

N/A

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action, and.

N/A

- e) The amount of time it took to resolve each complaint.

N/A

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

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

The Halford Firm, PLLC

Vicksburg, Mississippi
December 9, 2023