

Village of Quitman
Quitman, Louisiana

Annual Financial Report

As of and For the Year Ended
December 31, 2021
with Supplemental Information Schedules

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Village of Quitman
Annual Financial Statements

As of and for the year ended December 31, 2021
with Supplemental Information Schedules

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Independent Accountant's Review Report

Village of Quitman
Quitman, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Quitman, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village of Quitman's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

Accountant's Conclusion

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any form of assurance on it.

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

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to the agency head, political subdivision head, or chief executive officer and schedule of compensation paid aldermen are presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated June 30, 2022 on the results of our agreed-upon procedures.

Kenneth D. Folden & Co., CPAs, LLC

Jonesboro, Louisiana
June 30, 2022

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

Village of Quitman
Quitman, Louisiana

Statement of Net Position
As of December 31, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and equivalents	\$ 98,681	\$ 81,706	\$ 180,387
Investments	-	43,812	43,812
Accounts receivable	6,309	22,336	28,645
Cash and equivalents - restricted	-	86,701	86,701
Capital assets (net of accumulated depreciation)	261,382	1,597,102	1,858,484
Total Assets	<u>366,372</u>	<u>1,831,657</u>	<u>2,198,029</u>
Liabilities			
Accounts payable	793	71,474	72,267
Payroll liabilities	-	141	141
Customer meter deposits	-	17,235	17,235
Long-term liability - current portion	-	38,894	38,894
Long-term liability - accrued interest	-	11,977	11,977
Long-term liability - noncurrent portion	-	458,087	458,087
Total Liabilities	<u>793</u>	<u>597,808</u>	<u>598,601</u>
Net Position			
Net investment in capital assets	261,382	1,139,015	1,400,397
Unrestricted	104,198	94,836	199,034
Total Net Position	<u>\$ 365,580</u>	<u>\$ 1,233,851</u>	<u>\$ 1,599,431</u>

See accompanying notes and independent accountant's review report.

Village of Quitman
Quitman, Louisiana

Statement of Activities
For the Year Ended December 31, 2021

Expenses	Major Funds			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<u>Functions/Programs</u>						
Primary government						
Governmental activities						
General government	\$ 76,749	\$ -	\$ 995	\$ 6,143	\$ (69,611)	\$ (69,611)
Police	222	-	-	-	(222)	(222)
Highways and streets	350	-	-	-	(350)	(350)
Total governmental activities	77,321		995	6,143	(70,183)	(70,183)
Business-type activities						
Water and sewer	302,488	177,852	32,177	-	(92,459)	(92,459)
Total primary government	\$ 379,809	\$ 177,852	\$ 33,172	\$ 6,143	(70,183)	(92,459)
<u>General Revenues</u>						
Taxes:						
Franchise taxes				4,617	-	4,617
Licenses				22,985	-	22,985
Investment earnings				89	315	404
Rental income				310	-	310
Other revenue				9,897	3,102	12,999
Gain (loss) on sale of fixed assets				3,018	-	3,018
Operating transfers				64,349	(64,349)	-
Total general revenues and transfers				105,265	(60,932)	44,333
Change in net position				35,082	(153,391)	(118,309)
Net position - December 31, 2020				330,498	1,387,241	1,717,739
Net position - December 31, 2021				\$ 365,580	\$ 1,233,850	\$ 1,599,430

See accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS

Village of Quitman
Quitman, Louisiana

Balance Sheet - Governmental Funds
As of December 31, 2021

	General Fund
Assets	
Cash and equivalents	\$ 98,681
Accounts receivable	<u>6,309</u>
Total Assets	<u><u>\$ 104,990</u></u>
Liabilities & Fund Balances	
Liabilities:	
Accounts payable	\$ <u>793</u>
Total Liabilities	<u>793</u>
Fund balances:	
Unassigned, reported in:	
General revenue fund	<u>104,198</u>
Total Fund Balances	<u>104,198</u>
Total Liabilities and Fund Balances	<u><u>\$ 104,991</u></u>

See accompanying notes and independent accountant's review report.

Village of Quitman
Quitman, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the Year Ended December 31, 2021

	General Fund
Revenues	
Taxes:	
Franchise tax	4,617
Licenses and permits	22,985
Capital grant	6,143
Operating grant	995
Rent, royalty, and commission	310
Miscellaneous	9,897
Total revenues	44,947
Expenditures	
Current:	
General government	61,460
Public safety	
Police	222
Streets	350
Capital outlay	16,867
Total expenditures	78,899
Excess (deficiency) of revenues over (under) expenditures	(33,952)
Other financing sources (uses)	
Interest earnings	89
Proceeds from the sale of fixed assets	3,018
Operating transfers	64,349
Total other financing sources (uses)	67,456
Net changes in fund balances	33,504
Fund balances - December 31, 2020	70,694
Fund balances - December 31, 2021	\$ 104,198

See accompanying notes and independent accountant's review report.

Village of Quitman
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Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Funds Balances to the Statement of Activities
For the Year Ended December 31, 2021

Total net change in Fund Balances - Governmental Funds (Statement E)	\$	33,505
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets capitalized over their estimated useful lives as depreciation expense. This is the amount by which capital outlay differs from depreciation for the period.

Depreciation		(15,290)
Capital outlay		<u>16,867</u>
Change in net position of governmental activities (Statement B)	\$	<u><u>35,082</u></u>

See accompanying notes and independent accountant's review report.

Village of Quitman
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Statement of Net Position - Proprietary Fund
As of December 31, 2021

	Water & Sewer Fund
Assets	
Current Assets:	
Cash and equivalents	\$ 81,706
Investments	43,812
Accounts receivable	22,336
Total Current Assets	147,854
Noncurrent Assets:	
Cash and equivalents - restricted	86,701
Capital assets (net of accumulated depreciation)	1,597,102
Total Noncurrent Assets	1,683,803
Total Assets	1,831,657
Liabilities	
Current Liabilities:	
Accounts payable	71,474
Payroll liabilities	141
Long-term liability - current portion	38,894
Long-term liability - accrued interest	11,977
Total Current Liabilities	122,486
Current liabilities payable from restricted assets	
Customer meter deposits	17,235
Non-Current Liabilities:	
Long-term liability - noncurrent portion	458,087
Total Non-Current Liabilities	458,087
Total Liabilities	597,808
Net Position	
Net investment in capital assets	1,139,015
Unrestricted	159,185
Total Net Position	\$ 1,298,200

See accompanying notes and independent accountant's review report.

Village of Quitman
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Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund
For the Year Ended December 31, 2021

	Water & Sewer Fund
Operating Revenues	
Water sales	\$ 165,472
Sewer fees	12,380
Operating grant	32,177
Miscellaneous income	3,102
Total operating revenues	213,131
Operating Expenses	
Personnel services	43,826
Supplies	10,255
Repairs and maintenance	53,675
Contractual services	13,091
Miscellaneous	17,778
Depreciation	147,466
Total operating expenses	286,091
Operating Income (Loss)	(72,960)
Non-operating Revenues (Expenses)	
Interest earnings	315
Interest expense	(16,398)
Total non-operating revenues (expenses)	(16,083)
Income (loss) before transfers	(89,043)
Operating transfers	(64,349)
Change in net position	(153,392)
Total Net Position - December 31, 2020	1,387,241
Total Net Position - December 31, 2021	\$ 1,233,849

See accompanying notes and independent accountant's review report.

Village of Quitman
Quitman, Louisiana

Statement of Cash Flows - Proprietary Fund
For the Year Ended December 31, 2021

	Water & Sewer Fund
Cash flows from operating activities	
Cash received from customers	\$ 270,030
Cash payments to suppliers for goods and services	(107,179)
Cash payments to employees	(44,364)
Net cash provided by (used for) operating activities	118,487
Cash flows from non-capital financing	
Transfers to other funds	(64,349)
Net cash provided by (used for) non-capital financing activities	(64,349)
Cash flows from capital and related financing activities	
Acquisition of capital assets	(3,161)
Principal paid on capital debt	(37,135)
Net cash provided by (used for) capital and related financing activities	(40,296)
Cash flows from investing activities	
Other income	(173)
Interest earnings	315
Net cash provided by (used for) investing activities	142
Net increase (decrease) in cash and cash equivalents	13,984
Cash and cash equivalents - December 31, 2020	154,424
Cash and cash equivalents - December 31, 2021	\$ 168,408
Reconciliation of operating income to net provided by operating activities	
Operating income	\$ (89,356)
Adjustments	
Depreciation	147,466
Net changes in assets and liabilities	
Accounts receivable	(2,109)
Customers' meter deposits	2,100
Accounts payable	61,759
Payroll liabilities	(1)
Interest payable	(1,372)
Net cash provided for (used for) operating activities	\$ 118,487

See accompanying notes and independent accountant's review report.

**NOTES TO THE
FINANCIAL STATEMENTS**

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2021

INTRODUCTION

The Village of Quitman, Louisiana was incorporated in 1901 under the Louisiana Revised Statutes 33:52. The Village consists of 190 citizens. The Village operates under the Mayor-Board of Alderman form of government. The Board of Aldermen consists of three members who are elected. The Village is located in North Louisiana in Jackson Parish.

The Village employs a village clerk as a part-time employee.

The Village provides the following services to its residents: public safety (police and fire), highways and streets, parks and recreation, and general administrative services through the general fund; and water and sewer facilities through the enterprise fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Village applies all relevant GASB pronouncements, as applicable to governmental entities. Also, the Village's financial statements are prepared in accordance with the requirements of Louisiana R.S. 24:513, the Louisiana Municipal Audit and Accounting Guide and to the industry guide, Audits of State and Local Government Units, published by the American Institute of Certified Public Accountants.

B. Reporting Entity

GASB Statement No. 14, The Financial Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village is considered a primary government, since it is a general purpose local 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.

GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, establishes criteria for determining which, if any, component units should be considered part of the Village for financial reporting purposes. GASB Statement No. 61 provides additional criteria for classifying entities as component units. The basic criterion for including a potential component unit within the reporting entity is financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
 - i. The ability of the government to impose its will on that organization and/or
 - ii. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
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2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government and there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the above criteria, no component units were identified for the Village of Quitman.

C. Government-Wide Financial Statements

The Village's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements present summaries of the governmental activities and the business-type activities for the Village. Fiduciary activities of the Village are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Village of Quitman's governmental activities.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the Village's taxpayers or citizenry, including (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program; program revenues reduce the cost of the function to be financed from the Village's general revenues.

Direct Expenses - The Village reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

Indirect Expenses - The Village reports all indirect expenses separately on the Statement of Activities (Statement B). Indirect expenses are those expenses that are not clearly identifiable with a function. Interest on long-term debt is considered an indirect expense.

General revenues are taxes and other items that are not properly included among program revenues. The effect of interfund activity has been removed from the government-wide financial statements.

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2021

D. Fund Financial Statements

The accounts of the Village of Quitman are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, expenditures or expenses, as appropriate, additions, and deductions. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements. Funds of the Village are classified into two categories: governmental and proprietary.

Governmental Funds

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The Village has presented all major funds.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the Balance Sheets. Amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. Long-term debts are reported as an other financing source, and repayment of long-term debt is reported as an expenditure. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon thereafter to pay liabilities of the current period. Accordingly, revenues are recorded when received in cash and when collected within 60 days after year-end. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

The Village of Quitman reports the following major governmental funds:

General Fund - The primary operating fund of the Village, the General Fund, accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Village policy.

Revenues

The governmental funds use the following practices in recording revenues:

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Notes to the Financial Statements
As of and for the year ended December 31, 2021

Those revenues susceptible to accrual are property taxes, franchise taxes, and charges for services. Fines and permit and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Entitlements and shared revenues are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred, all other grant requirements have been met, and the susceptible-to-accrual criteria have been met.

Interest earnings are recorded when the investments have matured and the interest is available.

Expenditures

The governmental funds use the following practices in recording expenditures:

Salaries are recorded as expenditures when earned by employees.

Purchases of various operating supplies, etc. are recorded as expenditures when the related fund liability is incurred.

Compensated absences are recognized as expenditures when leave is actually taken or when employees, or their heirs, are paid for accrued leave upon retirement or death.

Principal and interest on long-term debt are recognized when due.

Other Financing Sources (Uses)

The governmental funds use the following practices in recording other financing sources (uses):

Transfers between funds that are not expected to be repaid, sales of fixed assets, and long-term debt proceeds and payments, are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Proprietary Funds

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total position) is segregated into three components-net investment in capital assets, restricted net position, and unrestricted net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total position. The proprietary funds use the accrual basis of accounting, where revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of the related cash flows.

The Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis are financed through user charges: or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose.

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Notes to the Financial Statements
As of and for the year ended December 31, 2021

The Enterprise Fund of the Village of Quitman is the Water and Sewer Fund, which accounts for the operations of the waterworks and sewerage systems. The intent of the Village for these facilities is (a) that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Revenues and Expenses

Operating revenues in the proprietary fund are those that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

E. Equity Classifications

The Village of Quitman has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.

In the Government-Wide Financial Statements and the Proprietary Fund Financial Statements, the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and reported in three components:

Net investment in capital assets: This classification consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

Restricted net position: This classification consists of net position with constraints placed on its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provision or enabling legislation.

Unrestricted net position: Any other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

The Governmental Fund Financial Statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Village did not have any nonspendable funds for the year ended December 31, 2021.

Village of Quitman
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Notes to the Financial Statements
As of and for the year ended December 31, 2021

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Village did not have any restricted funds for the year ended December 31, 2021.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Aldermen. These amounts cannot be used for any other purpose unless the Board of Aldermen removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board typically establishes commitments through the adoption and amendment of the budget. The Village did not have any committed funds for the year ended December 31, 2021.

Assigned: This classification includes amounts that are constrained by the Village's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Aldermen or through the Board delegating this responsibility to a body or official (Mayor) for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Village did not have any assigned funds.

Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts. The Village has \$70,694 of unassigned funds in the General Fund.

The Village would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

F. Budgets

The Village adopted a budget for the year ended December 31, 2021 for the General Fund. The Village uses the following procedures in establishing the budgetary data reflected in the financial statements. During the December meeting, the Village Clerk submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and expenses and the means of financing them. During the December meeting, the budget is legally enacted through passage of an ordinance. The public is invited to attend all meetings. The Village Clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures or expenses of any fund must be approved by the Board of Aldermen. Appropriations lapse at the end of the year. There was one amendment to the original General Fund budget.

The 2021 General Fund budget was made available for public inspection. On December 1, 2020, the budget was adopted by the Mayor and Board of Aldermen. The budget was legally amended on December 7, 2021.

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2021

G. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village of Quitman may deposit funds in demand deposits in stock-owned federally insured depository institutions organized under the laws of the state of Louisiana or of any other state of the United States, or under the laws of the United States. The Village may invest in certificates and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For the purposes of the statement of cash flows, cash equivalents include all highly liquid investments with a maturity date of 90 days or less when purchased.

Under state law, the Village may invest in United States bonds, treasury notes, or certificates. Those with maturities of 90 days or less would be classified as cash equivalents and all other reported as investments.

The Village reports restricted assets on the Statement of Net Position (Statement A), which includes restricted cash (customer deposits) that is collected by the Water and Sewer Department.

H. Investments

The Village of Quitman's investments comply with Louisiana Revised Statute 33:2955. Under state law, the Village may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Village may invest in United States bonds, treasury notes and bills, or government-backed agency securities or certificates, and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. These deposits are classified as investments if their original maturities exceed 90 days. Investments are stated at fair value except for those which are permitted under GASB Statement No. 31 to use a different valuation measurement.

In accordance with paragraph 69 of GASB Statement No. 72, the Village reports at amortized cost money market investments and participating interest-bearing investment contracts that have a remaining maturity at the time of purchase of one year or less. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

I. Interfund Receivables and Payables

Activity between funds that is representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" on the fund financial statements balance sheets, as well as all other outstanding balances between funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2021

J. Inventories

Inventories of supplies in the Proprietary Fund are not material and are charged to operations as purchased.

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are recorded in the applicable governmental or business-type activities columns of the government-wide financial statements, but are not reported in the governmental fund financial statements. Acquisitions of property and equipment are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the Statement of Activities.

Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Depreciation is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. The estimated useful life for classes of assets are as follows:

Description	Estimated Lives
Water and sewer lines	40 years
Buildings and building improvements	10-27 years
Vehicles	3-5 years
Equipment	3-7 years

In accordance with GASB Statement No. 34, general infrastructure capital assets consisting of streets, bridges, sidewalks, and drainage systems acquired before July 1, 2003, are excluded from capital assets.

L. Deferred Outflows of Resources

The Village reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The Village reported no deferred outflows of resources.

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2021

M. Deferred Inflows of Resources

The Village reports increases in net position that relate to future periods as deferred inflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The Village will not recognize the related revenues until a future event occurs. The Village reported no deferred inflows of resources.

N. Interfund Transactions

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or enterprise funds are netted as part of the reconciliation to the government-wide financial statements.

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient fund and as an expenditure by the providing fund.

Activity between funds that is representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from other funds" or "due to other funds" on the Fund Financial Statements Balance Sheet (Statement C), as well as all other outstanding balances between funds.

In the process of aggregating data for the Statement of Net Position (Statement A) and the Statement of Activities (Statement B), some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

O. Estimates

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

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2021

2. Cash, Cash Equivalents, and Investments

At December 31, 2021, the Village had cash and cash equivalents (book balances) totaling \$267,088, including interest bearing demand deposits of \$266,801 and \$287 cash on hand. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

At December 31, 2021, the Village had investments (book balances) totaling \$43,812.

At December 31, 2021, the Village had \$327,856 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$109,662 of pledged securities.

Cash and investments are categorized to give an indication of the level of risk assumed by the Village at December 31, 2021. Deposits are considered to be exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the the pledging financial institution's trust department or agent but not in the depositor-government's name. The Village of Quitman has cash and cash equivalents that are covered by \$250,000 of federal depository insurance and \$109,662 in pledged securities. The Village does not have a custodial credit risk policy.

3. Receivables

The receivables of \$28,645 at December 31, 2021, are as follows:

	Fund		Total
	General	Enterprise	
Accounts	\$ 6,309	\$ 22,336	\$ 28,645
Allowance for uncollectible accounts	-	-	-
Total	<u>\$ 6,309</u>	<u>\$ 22,336</u>	<u>\$ 28,645</u>

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2021

4. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2021, is as follows:

A. Capital Assets - Governmental Activities

	Balance, January 01, 2021	Additions	Deletions	Balance, December 31, 2021
Capital assets not being depreciated				
Land	\$ 18,000	\$ -	\$ -	\$ 18,000
Total capital assets not being depreciated	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>18,000</u>
Capital assets being depreciated				
Buildings	7,891	16,867	-	24,758
Infrastructure - Streets	319,474	-	-	319,474
Machinery and equipment	151,610	-	-	151,610
Vehicles	2,190	-	2,190	-
Total capital assets being depreciated	<u>481,165</u>	<u>16,867</u>	<u>2,190</u>	<u>495,842</u>
Less accumulated depreciation				
Buildings	2,943	1,274	-	4,217
Infrastructure - Streets	111,689	7,987	-	119,675
Machinery and equipment	122,538	6,029	-	128,567
Vehicles	2,190	-	2,190	-
Total accumulated depreciation	<u>239,360</u>	<u>15,290</u>	<u>2,190</u>	<u>252,459</u>
Capital assets, net	<u>241,805</u>	<u>1,577</u>	<u>-</u>	<u>243,383</u>
Governmental capital assets - net	<u>\$ 259,805</u>	<u>\$ 1,577</u>	<u>\$ -</u>	<u>\$ 261,383</u>

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2021

B. Capital Assets - Proprietary Funds

	Balance, January 01, 2021	Additions	Deletions	Balance, December 31, 2021
Capital assets not depreciated				
Construction in Progress	\$ 672,880	\$ -	\$ -	\$ 672,880
Total capital assets not being depreciated	<u>672,880</u>	<u>-</u>	<u>-</u>	<u>672,880</u>
Capital assets being depreciated				
Buildings	8,500	-	-	8,500
Sewer system	765,000	-	-	765,000
Water system	2,725,804	-	-	2,725,804
Machinery and equipment	74,706	3,161	-	77,867
Total capital assets being depreciated	<u>3,574,010</u>	<u>3,161</u>	<u>-</u>	<u>3,577,171</u>
Less accumulated depreciation				
Buildings	5,950	425	-	6,375
Sewer system	696,818	22,727	-	719,545
Water system	1,732,287	123,010	-	1,855,297
Machinery and equipment	70,428	1,304	-	71,732
Total accumulated depreciation	<u>2,505,483</u>	<u>147,466</u>	<u>-</u>	<u>2,652,949</u>
Capital assets, net	<u>1,068,527</u>	<u>(144,305)</u>	<u>-</u>	<u>924,222</u>
Business-type activities capital assets - net	<u>\$ 1,741,407</u>	<u>\$ (144,305)</u>	<u>\$ -</u>	<u>\$ 1,597,102</u>

5. Payables

The payables of \$72,407 at December 31, 2021, are as follows:

	Fund		
	General	Enterprise	Total
Accounts	\$ 793	\$ 7,124	\$ 7,917
Grants	-	64,349	64,349
Payroll liabilities	-	141	141
Total	<u>\$ 793</u>	<u>\$ 71,614</u>	<u>\$ 72,407</u>

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2021

6. Long-Term Obligations

The Village of Quitman entered into loan agreements with the Jackson Parish Bank and the Louisiana Public Facilities Authority to upgrade the Wastewater Treatment system. These loans are considered grant anticipation loans; however, the funds from the Federal Emergency Management Agency are no longer available to the Village. The Village is currently searching for other grants and funds to satisfy the loan requirements. The following is a summary of the long-term obligation transactions for the year ended December 31, 2021:

Long-term Obligation	Balance, January 01, 2021	Additions	Deletions	Balance, December 31, 2021
DHH Loan 1049014	\$ 98,500	\$ -	\$ 31,500	\$ 67,000
USDA Loan	235,908	-	5,635	230,273
Jackson Parish Bank	149,916	-	-	149,916
Louisiana Public Facilities Authority	49,792	-	-	49,792
Total	<u>\$ 534,115</u>	<u>\$ -</u>	<u>\$ 37,135</u>	<u>\$ 496,981</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2021:

Long-term Obligation	Current Portion	Long-term Portion	Total
DHH Loan 1049014	\$ 33,000	\$ 34,000	\$ 67,000
USDA Loan	5,894	224,379	230,273
Jackson Parish Bank	-	149,916	149,916
Louisiana Public Facilities Authority	-	49,792	49,792
Total	<u>\$ 38,894</u>	<u>\$ 458,087</u>	<u>\$ 496,981</u>

The following is a summary of the loan payments for the DHH Loan.

Year ending December 31:	Principal	Interest	Total
2022	33,000	1,742	34,742
2023	34,000	587	34,587
Total	<u>\$ 67,000</u>	<u>\$ 2,329</u>	<u>\$ 69,329</u>

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2021

The following is a summary of the loan payments for the USDA Loan.

Year ending December 31:	Principal	Interest	Total
2022	5,894	10,234	16,128
2023	6,164	9,964	16,128
2024	6,448	9,680	16,128
2025	6,744	9,384	16,128
2026	7,054	9,074	16,128
2027-2031	40,437	40,203	80,640
2032-2036	50,619	30,021	80,640
2037-2041	63,365	17,275	80,640
2042-2044	43,549	3,148	46,696
Total	<u>\$ 230,273</u>	<u>\$ 138,983</u>	<u>\$ 369,256</u>

7. Retirement Systems

The Mayor and Board of Aldermen of the Village of Quitman voted in regular session to withdraw from all municipal retirement programs in which they had previously participated. They also voted to withdraw from participation in any group health or other medical employment benefits. The Village withholds Social Security and Medicare taxes from the wages and salaries of all employees and is obligated for the matching employer contribution for the taxes.

8. Related Party Transactions

The Village of Quitman had no related party transactions for the year ended December 31, 2021.

9. Grants

Entity	Department	Operating Amount	Capital Amount	Description of Use
Louisiana Government Assistance Program	General	995		Forks for tractor
Louisiana Government Assistance Program	General		6,143	Building improvement- Mayor's Office
American Rescue Plan Program	Sewer		32,177	Booster Pump repair or replacement
Total		<u>\$ 995</u>	<u>\$ 38,320</u>	

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2021

10. Risk Management

The Village is exposed to various risk of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, and injuries to employees. To handle such risk of loss, the Village maintains commercial insurance policies covering automobile liability and uninsured motorist, surety bond coverage, flood insurance, and property insurance. In addition to the above policies, the Village maintains a general liability policy and an errors and omissions policy. During the past three years, no claims were paid on any of the policies which exceeded the policies' coverage amount.

11. Litigation and Claims

At December 31, 2021, the Village was not involved in any lawsuits nor is aware of any outstanding claims, which are not covered by insurance.

12. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 30, 2022, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Village of Quitman
Quitman, Louisiana

Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2021

	Budget - Original	Budget - Final	Actual	Variance - Favorable (Unfavorable)
Revenues				
Taxes:				
Franchise tax	\$ 5,354	\$ 3,682	\$ 4,617	\$ 935
Licenses and permits	31,424	32,750	22,985	(9,765)
Capital grant	-	-	6,143	6,143
Operating grant	-	15,000	995	(14,005)
Intergovernmental	6,750	6,750	-	(6,750)
Fines, forfeitures, and court costs	4,276	-	-	-
Rent, royalty, and commission	200	240	310	70
Miscellaneous	2,500	21,500	9,897	(11,603)
Total revenues	<u>50,504</u>	<u>79,922</u>	<u>44,947</u>	<u>(34,975)</u>
Expenditures				
Current:				
General government	45,181	77,535	61,460	16,075
Public safety				
Police	2,222	-	222	(222)
Streets	-	420	350	70
Capital outlay	-	-	16,867	(16,867)
Total expenditures	<u>47,403</u>	<u>77,955</u>	<u>78,899</u>	<u>(944)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,101</u>	<u>1,967</u>	<u>(33,952)</u>	<u>(35,919)</u>
Other financing sources (uses)				
Interest earnings	-	-	89	89
Operating transfers	-	-	64,349	64,349
Proceeds from the sale of fixed assets	-	-	3,018	3,018
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>67,456</u>	<u>67,456</u>
Net changes in fund balances	<u>3,101</u>	<u>1,967</u>	<u>33,504</u>	<u>31,537</u>
Fund balances - December 31, 2020	<u>70,694</u>	<u>70,694</u>	<u>70,694</u>	<u>-</u>
Fund balances - December 31, 2021	<u>\$ 73,795</u>	<u>\$ 72,661</u>	<u>\$ 104,198</u>	<u>\$ 31,537</u>

See accompanying notes and independent accountant's review report.

SUPPLEMENTAL INFORMATION

Village of Quitman
Quitman, LouisianaSchedule of Compensation Paid Aldermen
For the year ended December 31, 2021

	2021
Brian Burns	\$ 1,500
Kristi Greer	1,500
James Trull	1,500
	\$ 4,500
	4,500

Village of Quitman
Quitman, LouisianaSchedule of Compensation, Benefits and Other Payments to Agency Head
For the year ended December 31, 2021

Joe Vail Mayor	
Salary	\$ 10,800
	<u>\$ 10,800</u>



KENNETH D. FOLDEN & CO.

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Alayna C. Huckaby, CPA
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Independent Accountant's Report on Applying Agreed-Upon Procedures

Village of Quitman
Quitman, Louisiana

We have performed the procedures enumerated below on the Village of Quitman's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2021, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide. The Village's management is responsible for its financial records and compliance with applicable laws and regulations.

The Village 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 Village's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2021. Additionally, the Louisiana Legislative Auditor 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:

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$250,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

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

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the payroll records that listed all employed during the review period.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The names of the employees provided by management in procedure (3) did not appear on the listing provided by management in procedure (2).

Budgeting

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

Management provided us with a copy of the original budget. The budget was amended once in the fiscal year, and a copy of the amended budget was provided.

6. Trace the budgets adoption and amendments to the minute book.

We traced the adoption of the original budget, for the year ended December 31, 2021, to the minutes of a meeting held on December 1, 2020, which indicated that the budget had been approved by the Board of Aldermen. The December 31, 2021 budget was amended and approved by all the Board of Aldermen at the monthly meeting held December 7, 2021.

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

Actual revenues were less than budgeted revenues by 5%. However, the Village of Quitman amended their budget once during the year, so there is no violation of law. Actual expenditures were more than budgeted expenditures by less than 5%.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

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

(b) determine if payments were properly coded to the correct fund and general ledger account; and

The six selected disbursements were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

The six selected disbursements were traced to the Village's meeting minutes where they were approved by the Aldermen.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Village of Quitman posts a notice of each meeting in the local newspaper, the official journal of the Village, and the Village posts notice of the meeting on the front door of the Village Hall.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

We noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

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

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

Kenneth D. Folden & Co., CPAs, LLC

Jonesboro, Louisiana
June 30, 2022

LOUISIANA ATTESTATION QUESTIONNAIRE

(For Attestation Engagements of Governments)

6/23/2022

(Date Transmitted)

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

In connection with your audit of our financial statements as of December 31, 2021 and for year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

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

June 23, 2022 (date completed/date of the representations).

Public Bid Law

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

Yes (✓) No ()

Code of Ethics for Public Officials and Public Employees

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

Yes (✓) No ()

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

Yes (✓) No ()

Budgeting

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

Yes (✓) No ()

Accounting and Reporting

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

Yes (✓) No ()

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

Yes (✓) No ()

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

Yes (✓) No ()

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

Yes (✓) No ()

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

Yes (✓) No ()

Meetings

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

Yes (✓) No ()

Debt

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

Yes (✓) No ()

Advances and Bonuses

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

Yes (✓) No ()

Prior-Year Comments

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

Yes (✓) No ()

General

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

Yes (✓) No ()

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

Yes (✓) No ()

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

Yes (✓) No ()

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

Yes (✓) No ()

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

Yes (✓) No ()

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

Yes (✓) No ()

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

Joe Ward Management 6-23-22 Date

Joe Ward Governance 6-23-22 Date