

VILLAGE OF ELIZABETH, LOUISIANA

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORTS

YEAR ENDED JUNE 30, 2023

Royce T. Scimemi, CPA, APAC
Oberlin, LA

TABLE OF CONTENTS

	<u>Pages</u>
INDEPENDENT AUDITORS' REPORT	3-5
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of Net Position	8
Statement of Activities	9
FUND FINANCIAL STATEMENTS (FFS)	
Balance Sheet - Governmental Fund	12
Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund	14
Reconciliation of Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	15
Statement of Net Position - Proprietary Fund	16
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund	17
Statement of Cash Flows - Proprietary Fund	18
NOTES TO THE BASIC FINANCIAL STATEMENTS	19-29
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule: General Fund	31-32
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Operating Expenses by Department – Proprietary Fund	34
Schedule of Compensation Paid to Mayor and Council Members	35
Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer	36
Justice System Funding Schedule – Collecting/Disbursing Entity, as Required by Act 87 of the 2020 Regular Legislative Session	37
INDEPENDENT AUDITORS' 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	38-39
SCHEDULE OF FINDINGS AND RESPONSES	40
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS AND RESPONSES (UNAUDITED)	41
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS	42



ROYCE T. SCIMEML, CPA, APAC

CERTIFIED PUBLIC ACCOUNTANT

P.O. Box 210
Oberlin, LA 70655
Tele (337) 639-4334, Fax (337) 639-4068

Member
American Institute of
Certified Public Accountants

Member
Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

December 31, 2023

Honorable Mandy Green, Mayor
and the Village Council
Village of Elizabeth, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, the business activities, and each major fund of the Village of Elizabeth, Louisiana (the "Village"), 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business activities, and each major fund 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Report on Summarized Comparative Information

We have previously audited the Village of Elizabeth, Louisiana's financial statements as of and for the year ended June 30, 2022, and we expressed an unmodified audit opinion on those financial statements in our report dated December 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibility 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 judgment, 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 budgetary comparison information on pages 31 through 32 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management of the Village has omitted the 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 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. Our opinion on the basic financial statements is not affected by this omitted information.

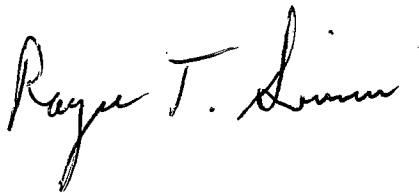
Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The schedule of operating expenses by department for the proprietary fund, the schedule of compensation paid to Mayor and council members, the schedule of compensation, benefits and other payments to chief executive officer, and the justice system funding schedule for a collecting/disbursing entity as required by Act 87 of the 2020 Louisiana regular legislative session are presented as other supplementary information ("OSI") on pages 34 through 37 for purposes of additional analysis and are not a required part of the basic financial statements. Such OSI 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 OSI 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 this OSI is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2023, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Royce T. Scimemi, CPA, APAC



BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

VILLAGE OF ELIZABETH, LOUISIANA
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and certificates of deposit	\$ 30,633	\$ 630,203	\$ 660,836
Accounts receivable	36,761	144,112	180,873
Restricted cash and certificates of deposit	--	335,406	335,406
Total current assets	<u>67,394</u>	<u>1,109,721</u>	<u>1,177,115</u>
Noncurrent assets:			
Land	130,245	33,275	163,520
Construction-in-progress	13,790		13,790
Capital assets, net	939,746	1,689,942	2,629,688
Total noncurrent assets	<u>1,083,781</u>	<u>1,723,217</u>	<u>2,806,998</u>
Total Assets	<u>1,151,175</u>	<u>2,832,938</u>	<u>3,984,113</u>
DEFERRED OUTFLOWS OF RESOURCES			
Aggregated deferred outflows	--	--	--
Total Deferred Outflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>
LIABILITIES			
Current liabilities:			
Accounts payable	10,306	86,005	96,311
Accrued interest payable	--	1,289	1,289
Payroll taxes payable	1,683	--	1,683
Sales taxes payable	399	2,412	2,811
Revenue bonds payable	--	60,830	60,830
Total current liabilities	<u>12,388</u>	<u>150,536</u>	<u>162,924</u>
Noncurrent liabilities:			
Customer deposits	--	48,400	48,400
Revenue bonds payable	--	304,956	304,956
Total noncurrent liabilities	<u>--</u>	<u>353,356</u>	<u>353,356</u>
Total Liabilities	<u>12,388</u>	<u>503,892</u>	<u>516,280</u>
DEFERRED INFLOWS OF RESOURCES			
Aggregated deferred inflows	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>
NET POSITION			
Invested in capital assets, net of related debt	1,083,781	1,356,142	2,439,923
Restricted - Note J	--	287,006	287,006
Unrestricted	55,006	685,898	740,904
Total Net Position	<u>\$ 1,138,787</u>	<u>\$ 2,329,046</u>	<u>\$ 3,467,833</u>

See accompanying notes.

VILLAGE OF ELIZABETH, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities:							
General government	\$ 430,190	\$ 32,250	\$ --	\$ 99,528	\$ (298,412)	\$ --	\$ (298,412)
Public safety	125,075	36,529	1,000	--	(87,546)	--	(87,546)
Public works	134,411	--	--	--	(134,411)	--	(134,411)
<i>Total Governmental Activities</i>	689,676	68,779	1,000	99,528	(520,369)	--	(520,369)
Business-Type Activities:							
Utility Fund							
Gas department	2,631,070	2,992,833	--	--	--	361,763	361,763
Water department	214,015	175,481	--	--	--	(38,534)	(38,534)
Sewer department	104,885	44,799	--	--	--	(60,086)	(60,086)
Electricity department	--	30,000	--	--	--	30,000	30,000
Interest and fiscal charges - gas	19,302	--	--	--	--	(19,302)	(19,302)
<i>Total Business-Type Activities</i>	2,969,272	3,243,113	--	--	--	273,841	273,841
Total Primary Government	\$ 3,658,948	\$ 3,311,892	\$ 1,000	\$ 99,528	\$ (520,369)	\$ 273,841	\$ (246,528)
General Revenues and Transfers:							
Revenues							
Taxes:							
					12,343	--	12,343
- Property					39,328	--	39,328
- Franchise					87,111	--	87,111
- Sales					1,125	--	1,125
- Beer taxes							
Intergovernmental:							
- State					4,940	--	4,940
- Local					3,803	--	3,803
Miscellaneous					28,035	--	28,035
Interest income					6	68	74
Rent					117,316	--	117,316
Transfers					(60,283)	60,283	--
<i>Total General Revenues and Transfers</i>					233,724	60,351	294,075
<i>Change in Net Position</i>					(286,645)	334,192	47,547
<i>Net Position at Beginning of Period</i>					1,425,432	1,994,854	3,420,286
<i>Net Position at End of Period</i>					\$ 1,138,787	\$ 2,329,046	\$ 3,467,833

See accompanying notes.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Proprietary Fund

The Proprietary Fund is used to account for the provision of gas, water, electricity, and sewer services to residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

VILLAGE OF ELIZABETH, LOUISIANA
Balance Sheet
Governmental Fund
June 30, 2022 and 2023

	June 30, 2023	June 30, 2022
ASSETS		
Cash and certificates of deposit	\$ 30,633	\$ 154,553
Accounts receivable	36,761	214,727
Total Assets	67,394	369,280
DEFERRED OUTFLOWS OF RESOURCES		
Aggregated deferred outflows	--	--
Total Assets and Deferred Outflows of Resources	\$ 67,394	\$ 369,280
LIABILITIES		
Accounts payable	\$ 10,306	\$ 46,708
Payroll taxes payable	1,683	2,296
Sales taxes payable	399	235
Total Liabilities	12,388	49,239
DEFERRED INFLOWS OF RESOURCES		
Aggregated deferred inflows	--	--
Total Liabilities and Deferred Inflows of Resources	12,388	49,239
FUND BALANCE		
Unassigned	55,006	320,041
Total Fund Balance	55,006	320,041
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 67,394	\$ 369,280

See accompanying notes.

VILLAGE OF ELIZABETH, LOUISIANA
Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position
June 30, 2023

Total Fund Balance - Governmental Fund	\$	55,006
Fixed assets are capitalized in the Statement of Net Position and depreciated in the Statement of Activities. These are expensed when acquired in the Statement of Revenues, Expenditures, and Changes in Fund Balance.		1,083,781
Total Net Position - Governmental Activities	\$	<u>1,138,787</u>

See accompanying notes.

VILLAGE OF ELIZABETH, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2023

	General Fund
Revenues	
Taxes:	
- Property	\$ 12,343
- Franchise	39,328
- Sales	87,111
- Beer	1,125
Fines and forfeitures	36,529
Interest income	6
Intergovernmental	108,271
Licenses and permits	32,250
Miscellaneous	29,035
Rental income	117,316
Total Revenues	463,314
 Expenditures	
Current:	
General government	403,001
Public safety	114,705
Public works	115,523
Capital outlay	34,837
Total Expenditures	668,066
Excess (Deficit) of Revenues Over (Under) Expenditures	(204,752)
Other Financing Sources (Uses)	
Operating transfers	(60,283)
Net Other Financing Sources (Uses)	(60,283)
Net Change in Fund Balance	(265,035)
Fund Balance at Beginning of Period	320,041
Fund Balance at End of Period	\$ 55,006

See accompanying notes.

VILLAGE OF ELIZABETH, LOUISIANA
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance to the Statement of Activities
For the Year Ended June 30, 2023

Total Net Change in Fund Balance - Governmental Fund	\$ (265,035)
Fixed assets expensed as capital outlay in governmental fund statements, capitalized as fixed assets in Statement of Net Position.	34,837
Depreciation expense reflected in entity wide statements, not reflected in governmental fund statements.	(56,447)
Changes in Net Position - Governmental Activities	<u>\$ (286,645)</u>

See accompanying notes.

VILLAGE OF ELIZABETH, LOUISIANA
Statement of Net Position
Proprietary Fund
June 30, 2023

	Business-Type Activities - Enterprise Fund	
	June 30, 2023	June 30, 2022
ASSETS		
<i>Current Assets:</i>		
Cash and certificates of deposit	\$ 630,203	\$ 481,391
Accounts receivable	144,112	432,421
Restricted cash and certificates of deposit	335,406	124,807
Total Current Assets	1,109,721	1,038,619
<i>Noncurrent Assets:</i>		
Land	33,275	33,275
Capital assets, net	1,689,942	1,746,623
Total Noncurrent Assets	1,723,217	1,779,898
Total Assets	2,832,938	2,818,517
DEFERRED OUTFLOWS OF RESOURCES		
Aggregated deferred outflows	--	--
Total Deferred Outflows of Resources	--	--
LIABILITIES		
<i>Current Liabilities:</i>		
Accounts payable	86,005	340,125
Accrued interest payable	1,289	1,542
Sales taxes payable	2,412	7,698
Revenue bonds payable	60,830	64,748
Total Current Liabilities	150,536	414,113
<i>Noncurrent Liabilities:</i>		
Customer deposits	48,400	41,765
Revenue bonds payable	304,956	367,785
Total Noncurrent Liabilities	353,356	409,550
Total Liabilities	503,892	823,663
DEFERRED INFLOWS OF RESOURCES		
Aggregated deferred inflows	--	--
Total Deferred Inflows of Resources	--	--
NET POSITION		
<i>Invested in capital assets, net of related debt</i>	1,356,142	1,345,823
<i>Restricted - Note J</i>	287,006	83,042
<i>Unrestricted</i>	685,898	565,989
Total Net Position	\$ 2,329,046	\$ 1,994,854

See accompanying notes.

VILLAGE OF ELIZABETH, LOUISIANA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Fund
	Utility Fund
Operating Revenues	
Gas department revenues	\$ 2,992,833
Water department revenues	175,481
Sewer department revenues	44,799
Electricity department revenues	30,000
<i>Total Operating Revenues</i>	3,243,113
Operating Expenses	
Gas department expenses	2,631,070
Water department expenses	214,015
Sewer department expenses	104,885
<i>Total Operating Expenses</i>	2,949,970
<i>Operating Income (Loss)</i>	293,143
Non-Operating Revenues (Expenses)	
Interest income	68
Interest and fiscal charges - gas	(19,302)
<i>Net Non-Operating Revenues (Expenses)</i>	(19,234)
<i>Income Before Operating Transfers</i>	273,909
Operating transfers	60,283
<i>Change In Net Position</i>	334,192
<i>Net Position at Beginning of Period</i>	1,994,854
<i>Net Position at End of Period</i>	\$ 2,329,046

See accompanying notes.

VILLAGE OF ELIZABETH, LOUISIANA
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023

	<u>Business-Type Activities</u>
	<u>Utility Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 3,538,118
Payments to suppliers	(2,938,739)
Payments to employees	<u>(146,530)</u>
Net cash from operating activities	452,849
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net proceeds (purchase) of investments	-
Interest earnings	<u>68</u>
Net cash used by noncapital financing activities	68
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Interest paid on gas revenue bonds	(19,555)
Principal paid on gas revenue bonds	(66,747)
Purchase of fixed assets	<u>(67,487)</u>
Net cash from capital activities	(153,789)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Operating transfers	<u>60,283</u>
Net cash from non-capital financing activities	<u>60,283</u>
NET INCREASE (DECREASE) IN CASH	359,411
CASH – BEGINNING	<u>606,198</u>
CASH – ENDING	<u>\$ 965,609</u>
Reconciliation of operating income (loss) to net cash from operating activities:	
Operating income (loss)	\$ 293,143
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:	
Depreciation	124,168
(Increase) decrease in receivables	288,309
Increase (decrease) in payables	(259,406)
Increase (decrease) in customer deposits	<u>6,635</u>
Net cash from operating activities	<u>\$ 452,849</u>

See accompanying notes.

VILLAGE OF ELIZABETH, LOUISIANA
Notes to the Basic Financial Statements
Year Ended June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Elizabeth, Louisiana (Village) was created under the provisions of the Lawrason Act. The purpose of the Village is to provide services to its citizens, which include gas, electric, sewer and water utilities, police and fire protection and other services. The Village is governed by the Mayor and a board of three elected council members who are compensated. The Village is in Allen Parish, Louisiana and its population is approximately 532. There are approximately 19 employees working for the Village.

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. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

1. Reporting Entity

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

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Village for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

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

As required by GAAP, these financial statements present the financial data of the Village of Elizabeth, Louisiana (the primary government) which has no component units under the above criteria.

2. Basis of Presentation

The accompanying basic financial statements of the Village have been prepared in conformity with GAAP. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements except for the Management's Discussion and Analysis for State and Local Governments", issued in June 1999, except that management has omitted the Management's Discussion and Analysis required by GASB 34.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Village as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

VILLAGE OF ELIZABETH, LOUISIANA
Notes to the Basic Financial Statements
Year Ended June 30, 2023

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the Village's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Village, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The Village uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Village functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Village are classified into two categories: governmental and proprietary. The emphasis of fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Village or if the total assets, liabilities, revenues, or expenditures of the individual governmental or proprietary fund is at least 10 percent of the corresponding total for all governmental and proprietary funds of that category or type, or total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined.

The Village reports the following major funds:

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

The Proprietary Fund is an enterprise fund that is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The enterprise fund distinguishes operating revenues and expenses from non-operating items. Operating revenues generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All other revenues and expenses are reported as non-operating revenues and expenses. The Village's Proprietary Fund is the utility fund which accounts for gas, water, sewer and electricity services.

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the "economic resources" measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.
- b. All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities

VILLAGE OF ELIZABETH, LOUISIANA
Notes to the Basic Financial Statements
Year Ended June 30, 2023

(whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements utilize the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are 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 (including capital outlays) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when the payments become due.

The Proprietary Fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. The Village applies all applicable FASB pronouncements in accounting and reporting for its Proprietary Fund.

Allocation of Indirect Expenses

The Village reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is separately reported on the statement of activities.

4. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General and Proprietary Funds. All annual appropriations lapse at fiscal year-end.

Prior to the beginning of each fiscal year, the Mayor submits a budget to the Village Council. The budget is prepared by fund, function, and activity, based on information from the past year, current year estimates and requested appropriations for the next fiscal year.

The Village Council holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated and the revenue estimates can only be changed by an affirmative vote of a majority of the government's council. Expenditures may not legally exceed budgeted appropriations at the activity level.

The original General Fund budget and one amendment during the year are reflected in the budget comparisons.

5. Deposits

Deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits as well as those investments with a maturity date of 90 days or less.

Louisiana Revised Statute 33:2955 authorizes the Village to invest in obligations of the U.S. Treasury, U.S. government agencies, or time certificates of deposit of banks domiciled or having a branch office in Louisiana or any other federally insured investment. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana. LAMP generates a local government investment pool.

As of June 30, 2023, the Village had deposits (book balances) totaling \$996,242. These deposits are stated at cost, which approximates market. Custodial credit risk is the risk that, in the event of bank failure, the Village's deposits may

VILLAGE OF ELIZABETH, LOUISIANA
Notes to the Basic Financial Statements
Year Ended June 30, 2023

not be returned. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2023, the Village has \$1,025,526 in deposits (collected bank balances). These deposits are all secured from risk by federal deposit insurance and pledged collateral held by the custodial bank in the name of the fiscal agent bank.

6. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet.

7. Accounts Receivable

Uncollectible amounts due for ad valorem taxes and other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the receivable is not collectible.

There appears to be concentration of credit risk about general accounts receivable and more specifically accounts receivable for utility user fees in the Proprietary Fund. The Village's ability to collect the amounts due from the users of the Village utility systems and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disaster, or other calamity in this one concentrated geographic location.

8. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In the government-wide statement of net position capital assets are capitalized at historical cost or at 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 \$1,000 or more for capitalization of asset purchases.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is expensed over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by asset type is as follows:

Buildings and improvements	40 years
Equipment and furniture	3-20 years
Utility systems	20-50 years
Vehicles	5 years
Infrastructure	20-50 years

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

9. Statement of Cash Flows

For the statement of cash flows, for the Proprietary Fund, the Village considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. The statement reflects ending cash and cash equivalents of \$965,609 which represents unrestricted and restricted amounts of \$630,203 and \$335,406, respectively.

VILLAGE OF ELIZABETH, LOUISIANA
Notes to the Basic Financial Statements
Year Ended June 30, 2023

10. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is usually reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are usually reported as long-term liabilities. No expenditure or liability is reported for these amounts as they are not material. Vested or accumulated vacation leave of the Proprietary Fund is recorded as an expense and liability of that fund as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits for police personnel that is estimated will be taken as "terminal leave" prior to retirement.

The Village has the following policy relating to vacation and sick leave:

Vacation is earned at a rate of one day per calendar month of employment not to exceed ten days per calendar year. Vacation is cumulative up to five days. Eight hours of sick leave is earned each month worked not to exceed eighty hours per year. Upon termination, the employee is entitled to any unused vacation leave accrued during the previous calendar year. Sick leave is not payable upon termination.

On June 30, 2023, employees of the Village have accumulated \$5,925 in leave privileges, computed in accordance with GASB Statement No. 16. This amount was deemed immaterial and no provision for compensated absences has been recorded.

11. Long-Term Debt

The accounting treatment of long-term debt depends on whether the underlying financed assets are used in governmental fund operations or Proprietary Fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debts to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists of gas revenue bonds.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest reported as expenditures. The accounting for Proprietary Fund long-term debt is the same in the fund statements as it is in the government-wide statements.

12. Equity Classification

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Consists of all other net position that has not been classified within the above components.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Village's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

In the fund statements, governmental fund equity is classified as fund balance and is further classified as follows:

VILLAGE OF ELIZABETH, LOUISIANA
Notes to the Basic Financial Statements
Year Ended June 30, 2023

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used for specific purposes determined by a formal action of the Mayor and Council, who are the highest level of decision-making authority for the Village. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Mayor and Council.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Council's adopted policy, only Council members may assign amounts for specific purposes.
- e. Unassigned – includes positive fund balance within the General Fund which has not been classified with the above-mentioned categories.

In governmental funds, when appropriate, the Village's policy is to first apply the expenditures toward restricted fund balance and then to other, less-restrictive classifications (committed and then assigned fund balances) before using unassigned fund balances.

13. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

14. Sales Taxes

Proceeds of a one percent (1%) sales and use tax levied by the Village are dedicated to and used for constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal works, waterworks facilities, streets, alleys, bridges, drains and drainage facilities; public buildings, purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, buildings or improvements and facilities; or for any one or more of said purposes; and for the purpose of paying principal and interest on any bonded or funded indebtedness of the Village incurred for any of said purposes; and such tax to be subject to funding into bonds by the Village, maturing not more than 25 years from the date of the first levy of said tax.

Proceeds of the three-tenths of one percent (0.3%) sales and use tax levied by the Village are dedicated to and used for the upkeep, maintenance, and improvement of the Elizabeth fire department.

15. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

16. Revenues, Expenditures, and Expenses

Program Revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the Village's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Village's general revenues.

VILLAGE OF ELIZABETH, LOUISIANA
Notes to the Basic Financial Statements
Year Ended June 30, 2023

Revenues

Ad valorem taxes are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent after December 31. The taxes are generally collected in December, January, and February of the fiscal year. Sales taxes are considered as "measurable" when in the hands of the sales tax collector and are recognized as revenue at that time. Interest on interest-bearing deposits is recorded and accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures/expenses

The Village's primary expenditures include gas purchases, salaries, materials and supplies, and insurance, which are recorded when the liabilities are incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfers are authorized by the Village.

17. Environmental Remediation Costs

The Village accrues for losses associated with environmental remediation obligations when such losses are probable and reasonably estimable. Accruals for estimated losses from environmental remediation obligations generally are recognized no later than completion of the remedial feasibility study. Such accruals are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted to their present value.

18. Subsequent Events

Management has evaluated subsequent events through December 31, 2023, the date the financial statements were issued.

NOTE B - PROPERTY TAXES

For the year ended June 30, 2023, taxes of 6.71 mills were levied on property with assessed valuations totaling \$1,554,700 and were dedicated as follows:

General corporate purposes	6.71 mills with no expiration
----------------------------	-------------------------------

Total taxes levied were \$10,432.

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year and become delinquent after December 31st. Property taxes not paid by the end of February are subject to lien.

NOTE C - RECEIVABLES

Receivables on June 30, 2023, consisted of the following:

General Fund:	
Sales tax receivable	\$ 12,365
Franchise tax receivable	20,318
Intergovernmental	3,803
Beer tax receivable	<u>275</u>
Total governmental-type accounts receivable	36,761

VILLAGE OF ELIZABETH, LOUISIANA
Notes to the Basic Financial Statements
Year Ended June 30, 2023

Utility System Enterprise Fund:	
Accounts receivable - customers	<u>144,112</u>
Total business-type accounts receivable	<u>144,112</u>
Total accounts receivable	<u>\$ 180,873</u>

Note D – CAPITAL ASSETS

	Balance 06/30/22	Additions	Deletions	Balance 06/30/23
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 130,245	\$ -	\$ -	\$ 130,245
Construction in progress	-	13,790	-	13,790
Other capital assets:				
Vehicles	191,701	7,500	8,500	190,701
Buildings	706,005	4,229	-	710,234
Infrastructure	598,821	-	-	598,821
Equipment	<u>421,852</u>	<u>9,318</u>	<u>2,056</u>	<u>429,114</u>
Total capital assets	2,048,624	34,837	10,556	2,072,905
Less accumulated depreciation:				
Vehicles	184,444	3,132	8,500	179,076
Buildings	398,909	19,317	-	418,226
Infrastructure	48,902	11,976	-	60,878
Equipment	<u>310,978</u>	<u>22,022</u>	<u>2,056</u>	<u>330,944</u>
Total accumulated depreciation	<u>943,233</u>	<u>56,447</u>	<u>10,556</u>	<u>989,124</u>
Governmental Activities, Capital assets, net	<u>\$ 1,105,391</u>	<u>\$ (21,610)</u>	<u>\$ -</u>	<u>\$ 1,083,781</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 33,275	\$ -	\$ -	\$ 33,275
Other capital assets:				
Gas system	1,924,761	61,654	19,656	1,966,759
Water system	1,474,889	-	-	1,474,889
Electricity system	196,900	-	-	196,900
Sewer system	<u>633,082</u>	<u>5,833</u>	-	<u>638,915</u>
Total capital assets	4,262,907	67,487	19,656	4,310,738
Less accumulated depreciation:				
Gas system	840,058	62,381	19,656	882,783
Water system	903,131	41,748	-	944,879
Electricity system	196,900	-	-	196,900
Sewer system	<u>542,920</u>	<u>20,039</u>	-	<u>562,959</u>
Total accumulated depreciation	<u>2,483,009</u>	<u>124,168</u>	<u>19,656</u>	<u>2,587,521</u>
Business-Type Activities, Capital assets, net	<u>\$ 1,779,898</u>	<u>\$ (56,681)</u>	<u>\$ -</u>	<u>\$ 1,723,217</u>

Depreciation expense for the year ended June 30, 2023 was \$56,447 and \$124,168 for the governmental activities and the business-type activities, respectively. Construction in progress consist completely of engineering fees on a park project.

Depreciation expense was charged to governmental activities as follows:

General government	\$ 27,189
Public safety	10,370
Public works	<u>18,888</u>
Total depreciation expense	<u>\$ 56,447</u>

VILLAGE OF ELIZABETH, LOUISIANA
Notes to the Basic Financial Statements
Year Ended June 30, 2023

Depreciation expense was charged to business-type activities as follows:

Gas	\$ 62,381
Water	41,748
Sewer	<u>20,039</u>
Total depreciation expense	<u>\$ 124,168</u>

NOTE E - ACCOUNTS PAYABLE

The following is a summary of payables on June 30, 2023:

<u>Class of Payable:</u>	<u>Governmental Activities Funds</u>	<u>Business Activities Funds</u>
Accounts	\$ 10,306	\$ 86,005
Total	<u>\$ 10,306</u>	<u>\$ 86,005</u>

NOTE F - LONG-TERM DEBT

The following is a summary of revenue bonds and other long-term debts owed by the Village for the year ended June 30, 2023:

	<u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>
Gas revenue bonds	\$ 77,000	\$ -	\$ (42,000)	\$ 35,000
USDA gas revenue bonds	<u>355,533</u>	<u>-</u>	<u>(24,747)</u>	<u>330,786</u>
	<u>\$ 432,533</u>	<u>\$ -</u>	<u>\$ (66,747)</u>	<u>\$ 365,786</u>

Gas Revenue Bonds Payable-Proprietary:

\$568,000 gas revenue bonds dated March 18, 2004, bearing interest at a rate of 5% per annum, maturing over a period beginning December 2004 through June 2024 in annual installments of \$42,000 to \$48,000, and secured by and payable from income and revenues derived by the gas system after paying reasonable and necessary expenses of operation.

\$ 35,000

\$655,000 USDA gas revenue bonds dated July 21, 2006, bearing interest at a rate of 4.375% per annum, maturing over a period beginning July 2012 through July 2033 in annual installments of \$40,302, and secured by and payable from income and revenues derived by the gas system after paying reasonable and necessary expenses of operation.

330,786

Total

\$ 365,786

VILLAGE OF ELIZABETH, LOUISIANA
Notes to the Basic Financial Statements
Year Ended June 30, 2023

The annual requirements to amortize all debt outstanding as of June 30, 2023, including interest payments of \$89,203 are as follows:

Year Ending June 30,	Enterprise Activities		
	Totals		
	Principal Payments	Interest Payments	Totals
2024	\$ 60,830	\$ 16,222	\$ 77,052
2025	26,960	13,342	40,302
2026	28,140	12,162	40,302
2027	29,371	10,931	40,302
2028	30,656	9,646	40,302
2029-2033	189,829	26,900	216,729
Totals	<u>\$ 365,786</u>	<u>\$ 89,203</u>	<u>\$ 454,989</u>

In accordance with La. R.S. 39:562, the Village is legally restricted from incurring long-term bonded debt (payable solely from ad valorem taxes) in excess of 35% of the assessed value of taxable property in the Village. On June 30, 2023 the statutory limit is \$544,145.

NOTE G – RESTRICTED ASSETS

Restricted assets, at June 30, 2023, consisted of the following:

	Cash and Cash Equivalents
Grant account	\$ 198,995
Customers' deposit accounts	48,644
Gas replacement accounts	67,480
Debt service sinking account	<u>20,287</u>
Total restricted assets - proprietary fund	<u>\$ 335,406</u>

	Actual	Required	Over (Under)
Requirements consisted of the following on June 30, 2023:			
Grant account	\$ 198,995	\$ 198,995	-
Gas revenue bond debt service sinking account	20,287	-	\$ 20,287
Gas revenue bond debt service reserve account	33,740	33,250	490
Gas revenue bond debt service depreciation and contingency account	33,740	33,250	490
Customer deposits – gas, water, and sewer	<u>48,644</u>	<u>48,400</u>	<u>244</u>
Total restricted assets - proprietary fund	<u>\$ 335,406</u>	<u>\$ 313,895</u>	<u>\$ 21,511</u>

NOTE H - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE I - CONTINGENCIES

The Village participates in a few federal and state grant programs that are either partially or fully funded by grants received from other governmental units. Such grants are subject to audit by the grantor agencies which could result in

VILLAGE OF ELIZABETH, LOUISIANA
Notes to the Basic Financial Statements
Year Ended June 30, 2023

requests for reimbursement to the granting agency for expenditures that are disallowed under the terms of the grant. Based on experience, the Village believes that any disallowed costs because of such audits would be immaterial.

NOTE J – RESTRICTED NET POSITION

Restricted net position consists of cash in the reserve account, depreciation and contingency account, and debt service account which are all set aside in accordance with bond restrictions. It also consists of grant proceeds that have yet to be spent.

NOTE K - ON-BEHALF PAYMENTS FOR SALARIES

The State of Louisiana pays a portion of the Village's police salaries. These on-behalf payments have been recorded in the accompanying financial statements in accordance with GASB Statement 24 as intergovernmental revenues and expenditures as follows:

Intergovernmental Revenues:	
State-Police	\$ 0
Expenditures:	
Salaries-Police	\$ 0

NOTE L – OPERATING TRANSFERS

The Village's Proprietary Fund received a net amount of \$60,283 in transfers from the General Fund during the year. These operating transfers are required to support the proprietary operations.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF ELIZABETH, LOUISIANA
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable) Final to Actual
Revenues				
Taxes:				
- Property	\$ 12,000	\$ 12,300	\$ 12,343	\$ 43
- Franchise	29,000	27,122	39,328	12,206
- Sales	114,000	96,000	87,111	(8,889)
- Beer	<u>2,000</u>	<u>1,163</u>	<u>1,125</u>	<u>(38)</u>
Total taxes	157,000	136,585	139,907	3,322
Licenses and permits	10,000	8,810	32,250	23,440
Fines and forfeitures	51,000	36,872	36,529	(343)
Intergovernmental:				
Federal	281,000	82,949	99,528	16,579
State of Louisiana -				
Street maintenance	5,000	4,940	4,940	--
Local grant	<u>3,500</u>	<u>4,500</u>	<u>3,803</u>	<u>(697)</u>
Total intergovernmental revenue	289,500	92,389	108,271	15,882
Other revenue:				
Interest income	--	--	6	6
Miscellaneous	14,500	47,507	29,035	(18,472)
Rent	<u>112,000</u>	<u>106,129</u>	<u>117,316</u>	<u>11,187</u>
Total other revenue	126,500	153,636	146,357	(7,279)
Total Revenues	<u><u>634,000</u></u>	<u><u>428,292</u></u>	<u><u>463,314</u></u>	<u><u>35,022</u></u>
Expenditures				
General government:				
Current:				
Advertising	3,500	4,456	4,584	(128)
Contract labor	34,500	52,530	66,123	(13,593)
Dues and subscriptions	25,000	7,310	5,731	1,579
Insurance	32,000	45,451	43,888	1,563
Materials and supplies	40,000	71,000	56,534	14,466
Miscellaneous	1,100	2,362	7,035	(4,673)
Office supplies	4,000	5,752	8,250	(2,498)
Payroll taxes	20,000	17,008	8,387	8,621
Professional fees	27,800	43,373	30,027	13,346
Repairs and maintenance	16,000	9,860	9,803	57
Retirement	1,000	1,088	907	181
Salaries	110,400	92,600	89,771	2,829
Travel and meetings	3,000	2,663	2,349	314
Uniforms	300	1,363	1,338	25
Utilities and telephone	<u>66,300</u>	<u>71,192</u>	<u>68,274</u>	<u>2,918</u>
Subtotal	384,900	428,008	403,001	25,007
Capital outlays	<u>185,000</u>	<u>28,492</u>	<u>20,492</u>	<u>8,000</u>
Total General Government	569,900	456,500	423,493	33,007

See accompanying notes.

VILLAGE OF ELIZABETH, LOUISIANA
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Public safety:				
Current:				
Advertising	\$ 200	\$ 289	\$ 573	\$ (284)
Contract labor	9,600	9,676	8,730	946
Dues and subscriptions	5,100	5,733	4,492	1,241
Insurance	19,500	16,745	5,287	11,458
Materials and supplies	7,000	19,584	17,698	1,886
Miscellaneous	1,100	--	--	--
Office supplies	100	--	944	(944)
Payroll taxes	4,600	2,837	2,486	351
Professional fees	5,300	5,246	5,470	(224)
Repairs and maintenance	20,900	30,148	20,811	9,337
Retirement	1,550	--	--	--
Salaries	43,500	33,000	32,500	500
Travel and meetings	1,100	940	733	207
Uniforms	450	362	317	45
Utilities and telephone	12,600	14,940	14,664	276
Subtotal	132,600	139,500	114,705	24,795
Capital outlays	--	--	14,345	(14,345)
Total Public Safety	132,600	139,500	129,050	10,450
Public works:				
Current:				
Insurance	--	--	8,161	(8,161)
Payroll taxes	--	--	7,729	(7,729)
Salaries	30,000	100,000	99,633	367
Total Public Works	30,000	100,000	115,523	(15,523)
 Total expenditures	\$ 732,500	\$ 696,000	\$ 668,066	\$ 27,934

See accompanying notes.

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF ELIZABETH, LOUISIANA
Schedule of Operating Expenses by Department
Proprietary Fund
Year Ended June 30, 2023

Gas Department:	
Advertising	\$ 1,373
Contract Labor	5,375
Depreciation	62,381
Gas purchases	2,388,227
Insurance	25,134
Materials and supplies	28,988
Miscellaneous	7,669
Payroll taxes	8,588
Professional fees	9,211
Repairs and maintenance	6,521
Retirement	907
Salaries	85,159
Travel	267
Utilities and telephone	<u>1,270</u>
Total Gas Department	2,631,070
Water Department:	
Advertising	1,195
Contract Labor	10,391
Depreciation	41,748
Insurance	11,334
Materials and supplies	81,004
Miscellaneous	654
Payroll taxes	3,230
Professional fees	6,167
Repairs and maintenance	9,515
Salaries	34,140
Travel	36
Utilities and telephone	<u>14,601</u>
Total Water Department	214,015
Sewer Department:	
Advertising	537
Contract Labor	22,365
Depreciation	20,039
Insurance	4,848
Materials and supplies	20,509
Miscellaneous	2,130
Payroll taxes	1,151
Professional fees	2,643
Repairs and maintenance	7,508
Salaries	14,262
Utilities and telephone	<u>8,893</u>
Total Sewer Department	<u>104,885</u>
Total Operating Expenses	<u>\$2,949,970</u>

See accompanying notes.

VILLAGE OF ELIZABETH, LOUISIANA
Schedule of Compensation Paid to Mayor and Council Members
For The Year Ended June 30, 2023

Mandy Green, Mayor	\$ 24,000
Kenneth Kelly	2,450
Mea Dillehay	1,050
Angela Smith	1,425
Kelly Stalsby	<u>1,325</u>
Total Compensation Paid to Mayor and Council Members	<u>\$ 30,250</u>

See accompanying notes.

VILLAGE OF ELIZABETH, LOUISIANA
Schedule of Compensation, Benefits and Other Payments to
Chief Executive Officer
For The Year Ended June 30, 2023

Chief Executive Officer: Mandy Green, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$24,000
Benefits-insurance	-0-
Benefits-retirement	-0-
Benefits-cell phone	780
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	77
Travel	933
Registration fees	275
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-

See accompanying notes.

VILLAGE OF ELIZABETH, LOUISIANA
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2023

	First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 06/30/2023
Beginning Balance of Amounts Collected but Not Disbursed (PY Payable)	\$ 2,499	\$ 1,296
Add: Collections		
Criminal Court Costs/Fees	3,720	443
Criminal Fines - Contempt	775	-
Criminal Fines - Other	29,123	3,128
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	242	24
Other	-	20
	33,860	3,615
Less: Disbursements To Governments & Nonprofits:		
Court Management Information System - Criminal Court Costs/Fees	122	15
Traumatic Head and Spinal Cord Injury Trust Fund - Criminal Court Costs/Fees	525	40
Louisiana Judicial College - Criminal Court Costs/Fees	61	8
Crime Stoppers - Criminal Court Costs/Fees	244	30
POST Law Enforcement Training & Assistance Fund - Criminal Court Costs/Fees	247	30
Less: Amounts Retained by Collecting Agency		
Village of Elizabeth - Criminal Court Costs/Fees	3,690	406
Village of Elizabeth - Criminal Fines	28,659	2,965
Village of Elizabeth - Service/Collection Fees	242	24
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Other Disbursements to Individuals	85	-
Payments to 3rd Party Collection/Processing Agencies	1,188	1,188
	35,063	4,706
Total: Ending Balance of Amounts Collected But Not Disbursed/Retained	\$ 1,296	\$ 205
Other Information:		
Ending Balance of Total Amounts Assessed But Not Yet Collected	\$ 12,698	\$ 418

See accompanying notes.

ROYCE T. SCIMEMI, CPA, APAC



CERTIFIED PUBLIC ACCOUNTANT

P.O. Box 210
Oberlin, LA 70655
Tele (337) 639-4334, Fax (337) 639-4068

Member
American Institute of
Certified Public Accountants

Member
Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITORS' 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

December 31, 2023

Honorable Mandy Green, Mayor
and the Village Council
Village of Elizabeth, Louisiana

We have audited, 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, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Elizabeth, Louisiana, (the "Village") as of and for the year ended June 30, 2023 and the related notes to the basic financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated December 31, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify one deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-1 I/C that we consider to be a significant deficiency.

Honorable Mandy Green, Mayor
and the Village Council
Village of Elizabeth, Louisiana
December 31, 2023
Page 2

Report on Compliance and Other Matters

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

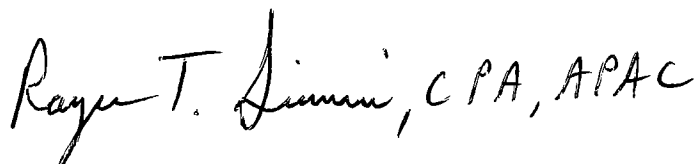
Village of Elizabeth, Louisiana's Response to Findings

The Village's response to the findings identified in our audit is described in the accompanying management's corrective action plan for the current year audit findings and responses. The Village of Elizabeth, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Royce T. Scimemi, CPA, APAC

A handwritten signature in black ink that reads "Royce T. Scimemi, CPA, APAC". The signature is written in a cursive style with a large initial 'R'.

VILLAGE OF ELIZABETH, LOUISIANA
Schedule of Findings and Responses
Year Ended June 30, 2023

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
 - Significant deficiency(ies) identified? X yes ___ no
 - Control deficiency(ies) identified that is/are not considered to be material weakness(es)? X yes ___ none reported
- Noncompliance material to financial statements noted? ___ yes X no

Findings:

Finding #2023-1 I/C:

Inadequate Segregation of Duties

- Condition: The small number of employees renders sufficient segregation of duties impractical.
- Criteria: Sufficient staff for adequate segregation of duties.
- Cause: Insufficient staff to adequately segregate cash flow functions.
- Effect: Possible internal control deficiency.
- Recommendation: Ensure that management is involved in daily operating activities to ensure adequate oversight.
- Response: See Corrective Action Plan

Finding #2023-2 C:

Louisiana Public Bid Law Compliance

- Criteria: For purchases of materials and supplies in between \$30,000 and \$60,000, the Louisiana Public Bid Law requires that at least three phone or fax quotes be obtained with the purchase contract being awarded to the lowest responsible bidder. The Village purchased a vehicle for \$46,083 and there were no phone or fax quotes of other bids for the same vehicle provided as documentation of compliance.
- Cause: Lack of compliance or failure to maintain documentation of compliance with the Louisiana Public Bid Law was not gathered at the time the purchases were made.
- Effect: Possible violation of the Louisiana Public Bid Law.
- Recommendation: The Village Clerk should monitor large purchases to ensure compliance with the Louisiana Public Bid Law and maintain adequate documentation of such compliance.
- Response: See Corrective Action Plan

Findings and questioned costs for federal awards:

Not applicable

VILLAGE OF ELIZABETH, LOUISIANA
Management's Corrective Action Plan for
Current Year Audit Findings and
Responses (Unaudited)
Year Ended June 30, 2023

Finding #2023-1 I/C:

Inadequate Segregation of Duties

This is an ongoing finding that cannot be corrected due to lack of financial resources and the size of the entity.

Finding #2023-2 C:

Louisiana Public Bid Law Compliance

Management is now aware of the requirements of the Louisiana Public Bid Law and will comply in the future.

VILLAGE OF ELIZABETH, LOUISIANA
Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2023

Finding #2022-1 I/C:

Inadequate Segregation of Duties

This is an ongoing finding that cannot be corrected due to lack of financial resources and the size of the entity.

Finding #2022-2 C:

Local Governmental Budget Act Compliance

The actual expenditures in the general fund were more than budgeted expenditures by 5% or more. Management will monitor the general fund budget monthly, ensure that all nonutility expenditures are properly included in the general fund budget, and amend the budget when required.

ROYCE T. SCIMEMI, CPA, APAC

CERTIFIED PUBLIC ACCOUNTANT

P.O. Box 210

Oberlin, LA 70655

Tele (337) 639-4334, Fax (337) 639-4068

Member
American Institute of
Certified Public Accountants

Member
Society of Louisiana
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mandy Green, Mayor
And the Village Council
Village of Elizabeth, Louisiana

December 31, 2023

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

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

The procedures and associated findings are as follows:

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions were found because of this procedure.

- ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

No exceptions were found because of this procedure.

- iii. ***Disbursements***, including processing, reviewing, and approving.

No exceptions were found because of this procedure.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions were found because of this procedure.

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exceptions were found because of this procedure.

- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exceptions were found because of this procedure.

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions were found because of this procedure.

- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exceptions were found because of this procedure.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

No exceptions were found because of this procedure.

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

No exceptions were found because of this procedure.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exceptions were found because of this procedure.

- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exceptions were found because of this procedure.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The minutes reflected that the managing council met monthly without exception.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Monthly income statements for the general fund and proprietary fund with budgetary comparisons and variances were provided to the Council and Mayor by handout. The minutes reflect this activity for all meetings that occurred without exception.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Other than the segregation of duties finding, the general fund did not have a negative ending unassigned fund balance in the prior year audit report.

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

The only prior year finding related to a budget overage on expenditures. The Village now monitors both revenues and expenditures and amends as needed.

3) *Bank Reconciliations*

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
The listing was provided by management. All reconciliations were prepared within the two-month time frame as applicable without exception.
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
The Mayor reviewed and initialed all bank reconciliations tested. However, the Mayor signs checks and participates in the issuance of them (Exception).
Management Response/Corrective Action: The Village has a small number of employees performing these essential accounting functions and segregation of duties can be difficult. Since the Mayor is responsible for overseeing all essential accounting functions and does not handle cash, no corrective action plan was deemed necessary.
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
There were 3 outstanding checks for more than 12 months from the closing statement date (Exception).
Management Response/Corrective Action: Management will research and reissue any outstanding item more than 12 months from the statement closing date or submit any qualifying payments to the State of Louisiana Unclaimed Property Division.

4) *Collections (excluding electronic funds transfers)*

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
The listing was provided by management without exception.
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then

inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

- i. Employees responsible for cash collections do not share cash drawers/registers;
The policies and procedures reflected that only one employee is responsible for the register each day and that they do not share cash drawers/registers with other employees without exception.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

The policies and procedures reflected that each employee responsible for collecting cash is not responsible for preparing/making bank deposits without exception.

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

The policies and procedures reflect that the employees responsible for collecting cash do not have access to the general ledger without exception.

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

There is an employee who is responsible for reconciling cash collections to the general ledger who also occasionally collects cash. However, another employee verifies the reconciliation.

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

Each employee that is responsible for handling cash is bonded without exception.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

Receipts were sequentially pre-numbered where applicable without exception.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

When applicable, sequentially pre-numbered receipts, system reports, and other related collection documentation were traced to deposit slips without exception.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.
The deposit slip totals on the tested 10 deposits were traced to the bank statement deposit without exception.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
All deposits were made within one week of receipt without exception and the bank is more than 10 miles from the collection location.
- v. Trace the actual deposit per the bank statement to the general ledger.
The 10 tested deposits were traced to the general ledger where applicable without exception.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
The listing was provided by management without exception.
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
Three of the five transactions tested had documentation of two employees involved in initiating the purchase request, approving a purchase, and placing an order or making the purchase (Exception).
Management Response/Corrective Action: Management will correct this by having the initiating employee initial the purchase orders on all non-recurring transactions that are generated by another employee who also initials them before they are placed.
 - ii. At least two employees are involved in processing and approving payments to vendors;
In the tested transactions, two employees were involved in processing and approving payment to vendors without exception.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

In the tested transactions, the accounts payable clerk was responsible for processing payments and had the authority to add/modify vendor files. However, another employee is responsible for periodically reviewing changes to the vendor files.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

In the tested transactions, the employee responsible for signing checks gave the signed checks to another employee to mail who is not responsible for processing payments without exception.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

The Village attaches a copy of the payment receipt as payment verification. Two authorizing signatures are on the payment receipts without exception.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

Management provided the non-payroll disbursement transaction population without exception.

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

We were able to match the disbursements tested to the related original itemized invoices without exception. The only two invoices that were for materials or supplies had authorizing initials proving the materials delivered were received.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

The disbursement documentation included evidence of segregation of duties (i.e., the payment processing employee and the approving employee were two different employees).

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

should select an alternative month and/or account for testing that does include electronic disbursements.

Of the 5 electronic disbursements tested, all had evidence of an approval by a person authorized to disburse funds or by two authorizing signatures which is the Village's policy for other non-electronic payments.

E. Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

The listing was provided by management without exception.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

We were able to gather evidence for the month tested that the monthly statements and supporting documentation were reviewed and approved in writing by someone other than the authorized card holder without exception.

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

No finance charges or late fees were assessed in the month tested.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Seven of the eight transactions tested was supported by an original itemized receipt that identified precisely what was purchased (Exception). Two of the eight transactions tested did

not state the business purpose (Exception). The same two of the eight transactions tested were for meals and they did not state who the individuals were that participated in the meals (Exception).

Management Response/Corrective Action: Original receipts will state the business purpose of the transactions and meal receipts will include documentation of all those involved. Management will review and approve all transactions once that criteria has been met.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

The listing was provided by management without exception.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

The Village used the GSA standard mileage rate for reimbursements without exception.

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

There were two transactions tested that were reimbursements for actual costs. Both were supported by the original receipt without exception.

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

In all transactions tested, we were provided with documentation of the business/public purpose of the transaction.

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

Each of the five transactions tested were reviewed and approved in writing by someone other than the person receiving reimbursement.

G. Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period.

Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

The listing was provided by management without exception.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

There was one contract tested that was required to be bid in accordance with the Louisiana Public Bid Law. The three phone or fax quotes provided was for three different vehicles.

Management Response/Corrective Action: The Village will obtain three phone or fax quotes for the specifications of a particular vehicle or other asset when obtaining those required quotes.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

All of the contracts tested were approved by the Mayor in accordance with the Village policy. No exceptions were found because this procedure.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No amendments or change orders were made to contracts tested. No exceptions were found because of this procedure.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

All tested payments matched supporting invoices and agreed with the terms and conditions of the contracts. No exceptions were found because of this procedure.

H. Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Management provided the required listing without exception. Paid salaries and wages for the five selected employees/officials agreed with the authorized salaries/pay rates contained in the personnel files.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
Documentation of daily attendance and leave for all employees tested was provided without exception.
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
Supervisor's approval of attendance and leave for all employees tested was provided without exception.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
The leave accrued or taken during the pay period tested was reflected in the cumulative leave records without exception.
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
Paid salaries and wages for the selected employees/officials were in agreement with the authorized salaries/pay rates contained in the personnel files.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
The listing was provided by management without exception. The employees/officials tested were paid in accordance with the Village's termination policy without exception.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.
Management represented that all payments were paid timely, and any associated forms were filed timely without exception.

I. Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
The documentation provided demonstrated that all five tested employees/officials had completed their one hour of ethics training during the fiscal period.
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
Since there were no changes in the Village's ethics policy during the fiscal year, there was no need for any notifications.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.
Upon inquiry, management advised that the Village Clerk is the ethics designee.

J. Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
Management provided the listing of bonds/notes issued during the fiscal year without exception. No new bonds were issued during the fiscal year.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).
We verified that reserve balances and payments required by debt covenants were maintained and paid, as applicable, in accordance with the debt covenants without exception.

K. Fraud Notice

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

Management has represented that the Village did not have any misappropriation of public funds or assets during the fiscal year. No exceptions were found because of this procedure.

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

The Village of Elizabeth office did have the required notice required by R.S. 24:523.1 posted in a conspicuous place upon its premises and on the Village's website. No exceptions were found because of this procedure.

L. Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management. The Village's critical data is backed up daily to a cloud-based program. These backups are tested regularly and accessible to the Village as needed. Management performed the procedure of retrieving the backups and verified that the data was restored. The data is not stored on a local medium, but it is encrypted during the transfer. No exceptions were found because of this procedure.

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

We performed the procedure and discussed the results with management. The Village's data backups are tested regularly and accessible to the clerk and accounts payable clerk as needed. We observed evidence that the testing and verification was successfully performed within the past 3 months. No exceptions were found because of this procedure.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management. The listing was provided by management without exception. The Village pays an IT company

monthly for services to maintain/update all computer software (including antivirus) and hardware. Each of the computers selected had current and active antivirus software, operating systems, and accounting software system that were currently supported by the vendor without exception.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We verified that the 5 former employees were removed from the network within a reasonable time after termination.

M. Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

We were provided documentation that all the five employees/officials tested had completed at least one hour of sexual harassment training during the fiscal year.

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

The Village's sexual harassment policy and complaint procedure was posted on its website. We did visually observe that the Village's sexual harassment policy and complaint procedure was posted in a conspicuous location on the premises without exception.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

The Village did not complete its annual sexual harassment report (Exception).

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

Each of the employees, to the best of the Clerk's knowledge, had completed the training. The Chief of Police was responsible for that department's employees and there was no verification that prior employees had completed the requirements.

Management Response/Corrective Action: Management will complete its annual sexual harassment report and ensure that all elements of the applicable requirements of R.S. 42:344 are included.

Independent Accountants' Report on Applying Agreed-Upon Procedures-Continued
Honorable Mandy Green, Mayor and the Village Council
Village of Elizabeth, Louisiana
December 31, 2023

- ii. Number of sexual harassment complaints received by the agency;
Management represented that no sexual harassment complaints were received by the Village during the fiscal year.
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
Since there were no complaints received, there could be no associated findings that sexual harassment occurred.
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
Not applicable.
- v. Amount of time it took to resolve each complaint.
Not applicable.

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

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

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

Royce T. Scimemi, CPA, APAC
Oberlin, Louisiana

