

VILLAGE OF SIMPSON, LOUISIANA  
ANNUAL FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Vickie Standifer, Mayor  
and Members of the Board of Aldermen  
Village of Simpson, Louisiana

### **Report on the Audit of the Financial Statements**

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Simpson, Louisiana as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Village of Simpson, Louisiana'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-type activities, and each major fund of the Village of Simpson, Louisiana, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Simpson, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village of Simpson, Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Simpson, Louisiana's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on page 24 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 has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting 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 missing information.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Simpson, Louisiana's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head and schedule of per diem paid to board members are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to agency head and schedule of per diem paid to board members are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2024, on our consideration of the Village of Simpson, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Simpson, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Simpson, Louisiana's internal control over financial reporting and compliance.



DeRidder, Louisiana  
November 15, 2024

## BASIC FINANCIAL STATEMENTS

Statement of Net Position  
June 30, 2024

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 178,835	\$ 375,375	\$ 554,210
Receivables:			
Franchise tax	3,928	-	3,928
Hotel/Motel tax	9,805	-	9,805
Insurance premium tax	4,036	-	4,036
Accounts	317	26,765	27,082
Intergovernmental:			
State grants	18,656	-	18,656
Due from other funds	-	34,129	34,129
Capital assets not being depreciated	-	226,381	226,381
Capital assets being depreciated - net	221,308	422,062	643,370
<b>Total assets</b>	<b>\$ 436,885</b>	<b>\$ 1,084,712</b>	<b>\$ 1,521,597</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Prepaid insurance	\$ 4,819	\$ 5,745	\$ 10,564
<b>Total assets and deferred outflows of resources</b>	<b>\$ 441,704</b>	<b>\$ 1,090,457</b>	<b>\$ 1,532,161</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,206	\$ 2,017	\$ 3,223
Contracts payable	25,134	105	25,239
Payroll taxes payable	250	1,808	2,058
Sales taxes payable	-	135	135
Due to other funds	34,129	-	34,129
Long term liabilities:			
Due in more than one year	-	120,978	120,978
Customer deposits	-	8,715	8,715
<b>Total liabilities</b>	<b>\$ 60,719</b>	<b>\$ 133,758</b>	<b>\$ 194,477</b>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 196,174	\$ 527,360	\$ 723,534
Unrestricted	184,811	429,339	614,150
<b>Total net position</b>	<b>\$ 380,985</b>	<b>\$ 956,699</b>	<b>\$ 1,337,684</b>
<b>Total liabilities and net position</b>	<b>\$ 441,704</b>	<b>\$ 1,090,457</b>	<b>\$ 1,532,161</b>

The accompanying notes are an integral part of this statement.

Statement of Activities  
For the Year Ended June 30, 2024

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		Total
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
General government and administration	\$ 42,068	\$ -	\$ -	\$ 120,486	\$ 78,418	\$ -	\$ 78,418
Public safety	19,897	-	-	-	(19,897)	-	(19,897)
Total governmental activities	\$ 61,965	\$ -	\$ -	\$ 120,486	\$ 58,521	\$ -	\$ 58,521
Business-type activities:							
Water and sewer	\$ 231,365	\$ 226,863	\$ -	\$ 197,880	\$ -	\$ 193,378	\$ 193,378
Total government	\$ 293,330	\$ 226,863	\$ -	\$ 318,366	\$ 58,521	\$ 193,378	\$ 251,899
General revenues:							
Taxes:							
Hotel/motel					\$ 28,375	\$ -	\$ 28,375
Franchise tax					24,201	-	24,201
Occupational licenses					19,090	-	19,090
Liquor licenses					500	-	500
Investment earnings					29	383	412
Rental income					14,400	-	14,400
Reimbursements					2,749	-	2,749
Miscellaneous					106	-	106
Total general revenues					\$ 89,450	\$ 383	\$ 89,833
Change in net position					\$ 147,971	\$ 193,761	\$ 341,732
Net position at beginning of year					233,014	762,938	995,952
Net position at end of year					\$ 380,985	\$ 956,699	\$ 1,337,684

The accompanying notes are an integral part of this statement.



Balance Sheet  
Governmental Funds  
For the Year Ended June 30, 2024

ASSETS	<u>General</u>
Cash	\$ 178,835
Receivables:	
Taxes:	
Franchise tax	3,928
Hotel/Motel tax	9,805
Insurance premium tax	4,036
Intergovernmental:	
State grant	18,656
Accounts	<u>317</u>
Total assets	<u>\$ 215,577</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Prepaid insurance	<u>\$ 4,819</u>
Total assets and deferred outflows of resources	<u><u>\$ 220,396</u></u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 1,206
Contracts payable	25,134
Payroll taxes payable	250
Due to utility fund	<u>34,129</u>
Total liabilities	<u>\$ 60,719</u>
Fund Balances:	
Unassigned	\$ 154,858
Nonspendable:	
Not in spendable form	<u>4,819</u>
Total fund balances	<u>\$ 159,677</u>
Total liabilities and fund balances	<u><u>\$ 220,396</u></u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet  
to Statement of Net Position  
For the Year Ended June 30, 2024

Total fund balance - total governmental funds	\$ 159,677
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets.	<u>221,308</u>
Net position of governmental activities	<u><u>\$ 380,985</u></u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2024

	<u>General Fund</u>
Revenues	
Taxes:	
Franchise	\$ 24,201
Hotel/motel	28,375
Intergovernmental:	
State grant	100,486
Local grant	20,000
Occupational licenses and permits	19,090
Liquor licenses	500
Investment income	29
Rentals	14,400
Reimbursements	2,749
Miscellaneous	<u>106</u>
Total revenues	<u>\$ 209,936</u>
Expenditures	
General government	\$ 38,090
Public safety	19,687
Capital outlay	<u>126,907</u>
Total expenditures	<u>\$ 184,684</u>
Net change in fund balance	\$ 25,252
Fund balances at beginning of year	<u>134,425</u>
Fund balances at end of year	<u><u>\$ 159,677</u></u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds	\$ 25,252
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	126,907
Depreciation expense on capital assets is reported in the government- wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	<u>(4,188)</u>
Change in net position of governmental activities	<u><u>\$ 147,971</u></u>

The accompanying notes are an integral part of this statement.

Statement of Net Position  
 Proprietary Fund  
 June 30, 2024

	<u>Business-type Activities - Enterprise Fund Water and Sewer</u>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 375,375
Receivables:	
Accounts	26,765
Due from general fund	34,129
Total current assets	<u>\$ 436,269</u>
Noncurrent Assets	
Capital assets not being depreciated	\$ 226,381
Capital assets being depreciated - net	422,062
Total noncurrent assets	<u>\$ 648,443</u>
Total assets	<u>\$ 1,084,712</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Prepaid insurance	<u>\$ 5,745</u>
Total assets and deferred outflows of resources	<u><u>\$ 1,090,457</u></u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	\$ 2,017
Contracts payable	105
Payroll taxes payable	1,808
Sales taxes payable	135
Total current liabilities	<u>\$ 4,065</u>
Noncurrent Liabilities	
Note payable - DOTD	\$ 120,978
Customer deposits	8,715
Total noncurrent liabilities	<u>\$ 129,693</u>
Total liabilities	<u>\$ 133,758</u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 527,360
Unrestricted	429,339
Total net position	<u>\$ 956,699</u>
Total liabilities and net position	<u><u>\$ 1,090,457</u></u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenses and Changes in Net Position  
 Proprietary Fund  
 For the Year Ended June 30, 2024

	Business-type Activities - <u>Enterprise Fund</u> <u>Water and Sewer</u>
Operating revenues	
Charges for services	<u>\$ 226,863</u>
Operating expenses	
Personal services	\$ 69,622
Supplies	5,433
Contractual services	110,534
Depreciation	45,776
Total operating expenses	<u>\$ 231,365</u>
Income (loss) from operations	<u>\$ (4,502)</u>
Non-operating revenues (expenses)	
Investment income	<u>\$ 383</u>
Income (loss) before contributions	<u>\$ (4,119)</u>
Capital contributions	<u>\$ 197,880</u>
Change in net position	\$ 193,761
Net position at beginning of year	<u>762,938</u>
Net position at end of year	<u><u>\$ 956,699</u></u>

The accompanying notes are an integral part of this statement.

Statement of Cash Flows  
 Proprietary Fund  
 For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Fund Water and Sewer
Cash flows from operating activities:	
Cash received from customers	\$ 224,003
Cash payments to suppliers for goods and services	(118,208)
Cash payments to employees for services	(69,202)
Net cash provided by operating activities	<u>\$ 36,593</u>
Cash flows from capital financing activities:	
Purchase of fixed assets	\$ (258,598)
Grants received	221,869
Net cash used by capital financing activities	<u>\$ (36,729)</u>
Cash flows from non-capital financing activities:	
Paid to other funds	\$ (6,597)
Net cash used by non-capital financing activities	<u>\$ (6,597)</u>
Cash flows from investing activities:	
Interest on cash and investments	<u>\$ 383</u>
Net increase (decrease) in cash and cash investments	\$ (6,350)
Cash and cash investments, beginning July 1, 2023	381,725
Cash and cash investments, ending June 30, 2024	<u>\$ 375,375</u>
Reconciliation of income (loss) from operations to net cash provided by operating activities:	
Loss from operations	\$ (4,502)
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:	
Depreciation	\$ 45,776
Change in assets and liabilities:	
Increase in accounts receivable	(3,500)
Decrease in accounts payable	(1,417)
Increase in customer deposits payable	640
Increase in payroll taxes payable	420
Increase in prepaid insurance	(780)
Decrease in sales taxes payable	(44)
Net cash provided by operating activities	<u>\$ 36,593</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS



## Village of Simpson, Louisiana

### Notes to the Financial Statements As of and for the Year Ended June 30, 2024

#### **INTRODUCTION**

The Village of Simpson was incorporated in 1967 under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government.

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

The Village maintains a general fund that provides services and benefits to its citizens including repairs and maintenance of approximately 20 miles of roads and streets, and police protection to approximately 650 residents and an enterprise fund that provides water to approximately 385 rural residents.

The Village is located within Vernon Parish in the south-central part of the State of Louisiana and is comprised of approximately 650 residents. The governing board is composed of three elected aldermen that are compensated for regular and special board meetings. There are approximately five employees that provide police protection, public works, and handle the clerical work for the Village.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the funds financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as is the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## Village of Simpson, Louisiana

### Notes to the Financial Statements (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Village reports the following major governmental fund:

The General Fund is the Village's primary operating fund. It accounts for all financial resources except for those in another fund.

The Village reports the following major proprietary fund:

The Proprietary Fund accounts for operations (a) 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.

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Charges for services of providing water and sewer services to residents comprise the operating revenue of the Village's enterprise fund. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available to us, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

The Village has not established a policy for use of the unrestricted fund balance, therefore it considers committed fund balances to be used first, then assigned fund balances to be used next and finally the unassigned fund balance will be used.

### **C. Deposits and Investments**

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

Village of Simpson, Louisiana

Notes to the Financial Statements (Continued)

**D. Receivables and Payables**

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**E. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$1,000 or more for capitalizing capital assets.

According to GASB 34, the Village of Simpson was not required to retroactively report infrastructure assets in its financial statements, therefore, these assets have not been reported in the financial statements.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was paid or included as part of the cost of capital assets under construction in construction projects.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Roads, bridges, and infrastructure	40-50 years
Land improvements	40-50 years
Buildings and building improvements	40-50 years
Furniture and fixtures	5-15 years
Equipment	3-15 years

**F. Compensated Absences**

As of June 30, 2024, the Village did not have a formal vacation or sick leave policy.

**G. Long-Term Obligations**

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

**H. Restricted Net Position**

For government-wide statement of net position, net position is reported as restricted when constraints placed on net position use either:

Village of Simpson, Louisiana

Notes to the Financial Statements (Continued)

- a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. Imposed by law through constitutional provisions or enabling legislation.

**I. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Village, which are either unusual in nature or infrequent in occurrence.

**J. Estimates**

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

**K. Fund Balances**

- Unassigned      Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.
- Nonspendable      The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*BUDGET INFORMATION:* The Village uses the following budget practices:

1. The Village Clerk and Mayor prepare a proposed budget and submit same to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after the publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen. These amended amounts are shown in the financial statements.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen.

Village of Simpson, Louisiana

Notes to the Financial Statements (Continued)

*EXCESS OF EXPENDITURES OVER APPROPRIATIONS* The following individual fund had actual expenditures over budgeted appropriations for the year ended June 30, 2024.

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 62,800	\$ 184,640	\$ 184,684	\$ 44

**3. CASH AND CASH EQUIVALENTS**

At June 30, 2024, the Village has cash and cash equivalents (book balances) totaling \$554,210 as follows:

Demand deposits	\$ 257,073
Savings accounts	297,137
Total	<u>\$ 554,210</u>

At June 30, 2024, the Village has \$568,816 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$68,816 of pledged securities held by an unaffiliated bank of the pledgor bank. These deposited pledged securities are deemed by law to be under the control and possession and in the name of the Village and are therefore properly collateralized.

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

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

**4. RECEIVABLES**

The receivables of \$63,507 at June 30, 2024 are as follows:

<u>Class of receivable</u>	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
<b>Taxes:</b>			
Franchise	\$ 3,928	\$ -	\$ 3,928
Hotel/Motel	9,805	-	9,805
Insurance premium	4,036	-	4,036
Accounts	317	26,765	27,082
<b>Intergovernmental:</b>			
State grants	18,656	-	18,656
Total	<u>\$ 36,742</u>	<u>\$ 26,765</u>	<u>\$ 63,507</u>

Village of Simpson, Louisiana

Notes to the Financial Statements (Continued)

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2024 for the primary government is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Work in progress	\$ 5,966	\$ 126,908	\$ 132,874	\$ -
Capital assets being depreciated				
Vehicles	\$ 20,271	\$ -	\$ -	\$ 20,271
Buildings	76,232	-	-	76,232
Furniture and fixtures	4,106	-	-	4,106
Improvements	14,796	132,874	-	147,670
Machinery and equipment	35,462	-	-	35,462
Total capital assets being depreciated	<u>\$ 150,867</u>	<u>\$ 132,874</u>	<u>\$ -</u>	<u>\$ 283,741</u>
Less accumulated depreciation for:				
Vehicles	\$ 20,271	\$ -	\$ -	\$ 20,271
Buildings	318	1,906	-	2,224
Furniture and fixtures	2,145	411	-	2,556
Improvements	3,055	1,294	-	4,349
Machinery and equipment	32,456	577	-	33,033
Total accumulated depreciation	<u>\$ 58,245</u>	<u>\$ 4,188</u>	<u>\$ -</u>	<u>\$ 62,433</u>
Total capital assets being depreciated, net	<u>\$ 92,622</u>	<u>\$ 128,686</u>	<u>\$ -</u>	<u>\$ 221,308</u>
	Beginning Balance	Increase	Decrease	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Work in progress	\$ 7,492	\$ 218,889	\$ -	\$ 226,381
Capital assets being depreciated				
Utility plant	\$ 241,912	\$ 39,814	\$ -	\$ 281,726
Machinery and equipment	973,524	-	-	973,524
Buildings	75,782	-	-	75,782
Furniture and fixtures	12,563	-	-	12,563
Vehicles	22,000	-	-	22,000
Total capital assets being depreciated	<u>\$ 1,325,781</u>	<u>\$ 39,814</u>	<u>\$ -</u>	<u>\$ 1,365,595</u>
Less accumulated depreciation for:				
Utility plant	\$ 78,127	\$ 13,110	\$ -	\$ 91,237
Machinery and equipment	787,060	28,304	-	815,364
Buildings	474	1,895	-	2,369
Furniture and fixtures	12,563	-	-	12,563
Vehicles	19,533	2,467	-	22,000
Total accumulated depreciation	<u>\$ 897,757</u>	<u>\$ 45,776</u>	<u>\$ -</u>	<u>\$ 943,533</u>
Total business-type assets being depreciated, net	<u>\$ 428,024</u>	<u>\$ (5,962)</u>	<u>\$ -</u>	<u>\$ 422,062</u>

Village of Simpson, Louisiana

Notes to the Financial Statements (Continued)

Depreciation expense of \$4,188 for the year ended June 30, 2024 was charged to the following governmental functions:

Public safety	\$	210
General administration		<u>3,978</u>
Total	\$	<u>4,188</u>

**6. CONSTRUCTION COMMITMENTS**

The Village had the following active construction project as of June 30, 2024; the Cemetery Road and Chipper Lane Road waterline replacement project.

<u>Projects</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Cemetery Road and Chipper Lane Road waterline replacement project	\$ 226,381	\$ 22,932

**7. ACCOUNTS AND OTHER PAYABLES**

The payables of \$39,370 at June 30, 2024 are as follows:

	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Payroll taxes	\$ 250	\$ 1,808	\$ 2,058
Sales taxes	-	135	135
Accounts	1,206	2,017	3,223
Contracts	25,134	105	25,239
Customer deposits	-	8,715	8,715
Total	<u>\$ 26,590</u>	<u>\$ 12,780</u>	<u>\$ 39,370</u>

**8. DUE TO/FROM OTHER FUNDS**

The composition of interfund balances on June 30, 2024 are as follows:

	<u>General Fund</u>	<u>Utility Fund</u>
Due to	\$ 34,129	\$ -
Due from	-	34,129
Total	<u>\$ 34,129</u>	<u>\$ 34,129</u>

These small balances result from one fund paying expenditures/expenses of another fund and will be liquidated during the following year.

**9. LONG-TERM OBLIGATIONS**

The following is a summary of the long-term debt transactions of the Village for the year ended June 30, 2024:

	<u>Proprietary Fund</u>
	<u>DOTD</u>
	<u>Note Payable</u>
Note payable, July 1, 2023	\$ 120,978
Additions	-
Principal payments	-
Note payable, June 30, 2024	<u>\$ 120,978</u>

Village of Simpson, Louisiana

Notes to the Financial Statements (Concluded)

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2024:

	<u>Proprietary Fund</u>
	<u>DOTD</u>
	<u>Note payable</u>
Current portion	\$ -
Long-term portion	120,978
Total	<u>\$ 120,978</u>

Note payable at June 30, 2024 is comprised of the following individual issue:

Department of Transportation and Development (DOTD) note payable:

\$120,978 DOTD note payable Utility Relocation Project. DOTD furnished funding to the Village for the relocation of water lines on LA Hwy 8 in prior years. According to the agreement between the Village of Simpson and DOTD, this amount of funding is payable in one lump sum at the time DOTD bills the Village for the work performed. As of June 30, 2024, DOTD has not billed the Village for these funds during the current year.



REQUIRED SUPPLEMENTAL INFORMATION

General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Franchise	\$ 20,000	\$ 24,201	\$ 24,201	\$ -
Hotel/motel	20,000	28,375	28,375	-
Intergovernmental:				
State grant	-	100,486	100,486	-
Local grant	-	20,000	20,000	-
Occupational licenses and permits	14,500	19,090	19,090	-
Liquor licenses	500	500	500	-
Investment income	-	29	29	-
Rentals	14,400	14,400	14,400	-
Miscellaneous	-	106	106	-
Traffic fines	2,000	-	-	-
Reimbursements	3,000	2,749	2,749	-
Total revenues	<u>\$ 74,400</u>	<u>\$ 209,936</u>	<u>\$ 209,936</u>	<u>\$ -</u>
<b>Expenditures</b>				
General government and administration	\$ 40,200	\$ 38,046	\$ 38,090	\$ (44)
Public safety	22,600	19,687	19,687	-
Capital outlay	-	126,907	126,907	-
Total expenditures	<u>\$ 62,800</u>	<u>\$ 184,640</u>	<u>\$ 184,684</u>	<u>\$ (44)</u>
Net change in fund balance	\$ 11,600	\$ 25,296	\$ 25,252	\$ (44)
Fund balances at beginning of year	<u>135,000</u>	<u>134,425</u>	<u>134,425</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 146,600</u></u>	<u><u>\$ 159,721</u></u>	<u><u>\$ 159,677</u></u>	<u><u>\$ (44)</u></u>

OTHER SUPPLEMENTAL SCHEDULES

Schedule of Per Diem Paid to Board Members  
For the Year Ended June 30, 2024

<u>Board Members</u>	<u>Compensation Paid</u>
Joseph Standifer	\$ 600
Heather Parker	600
Amanda Long	600
Total	<u>\$ 1,800</u>

Schedule of Compensation, Benefits and  
Other Payments to Agency Head  
For the Year Ended June 30, 2024

Agency Head Name - Vickie Standifer

Purpose	Amount
Salary	\$ 1,200
Benefits - insurance	-
Benefits - retirement	-
Deferred compensation	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Cell phone	964
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	40
Travel	-
Registration fees	300
Conference travel	138
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-

## OTHER REPORTS

Schedule of Prior Year Findings  
For the Year Ended June 30, 2024

There were no prior year audit findings as of June 30, 2023.

Schedule of Current Year Audit Findings and Management's Response  
For the Year Ended June 30, 2024

There were no current year audit findings as of June 30, 2024.



# Windham & Reed, L.L.C.

*Certified Public Accountants*

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

The Honorable Vickie Standifer, Mayor  
and Members of the Board of Aldermen  
Village of Simpson, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Village of Simpson, Louisiana as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Village of Simpson, Louisiana's basic financial statements, and have issued our report thereon dated November 15, 2024.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village of Simpson, Louisiana'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 of Simpson, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Simpson, Louisiana's internal control.

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

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Simpson, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Jerrell A. Windham, CPA". The signature is written in a cursive style.

DeRidder, Louisiana  
November 15, 2024

# Windham & Reed, L.L.C.

*Certified Public Accountants*

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Vickie Standifer, Mayor  
and Members of the Board of Aldermen  
Village of Simpson, Louisiana

To the Village of Simpson, Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. Village of Simpson, Louisiana's management is responsible for those C/C areas identified in the SAUPs.

Village of Simpson, Louisiana 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, 2023 through June 30, 2024. 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 noted.*
  - 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 noted.*
  - iii. ***Disbursements***, including processing, reviewing, and approving.  
*No exceptions noted.*

The Honorable Vickie Standifer, Mayor  
and Members of the Board of Aldermen  
Village of Simpson, Louisiana

- 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 noted.*
- 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 noted.*
- 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 noted.*
- 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 noted.*
- 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 noted.*
- 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 written policy for ethics.*
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
*No written policy for debt service.*
- 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 written policy for information technology.*
- 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.  
*Exception: No written policy for sexual harassment.*  
*Management's response: The Village is updating their policy manual to include the items above where no written policies existed.*

## 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:

The Honorable Vickie Standifer, Mayor  
and Members of the Board of Aldermen  
Village of Simpson, Louisiana

- 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.  
*No exceptions noted.*
- 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 comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, 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.*  
*No exceptions noted.*
- 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.  
*Not applicable.*
- 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.  
*Not applicable.*

### **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);  
*No exceptions noted.*
  - 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 within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and  
*No exceptions noted.*
  - 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.  
*No exceptions noted.*

### **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).  
*Only one deposit site.*

The Honorable Vickie Standifer, Mayor  
and Members of the Board of Aldermen  
Village of Simpson, Louisiana

- 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;  
*Only one employee for cash collections.*
  - 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;  
*One employee collects cash and makes the deposit; the Mayor reconciles the collection.*
  - 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  
*One employee collects cash and posts collections; the Mayor reconciles to the ledger.*
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.  
*One employee collects cash and reconciles to the ledger; the Mayor verifies this..*
- 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.  
*No exceptions noted.*
- 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 are not sequentially pre-numbered.*
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.  
*No exceptions noted.*
  - iii. Trace the deposit slip total to the actual deposit per the bank statement.  
*No exceptions noted.*
  - 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).  
*No exceptions noted.*
  - v. Trace the actual deposit per the bank statement to the general ledger.  
*Examined two random deposit dates for each account, no exceptions noted.*

The Honorable Vickie Standifer, Mayor  
and Members of the Board of Aldermen  
Village of Simpson, Louisiana

**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).
- Only one location that processes payments.*
- 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;  
*No exceptions noted.*
  - ii. At least two employees are involved in processing and approving payments to vendors;  
*No exceptions noted.*
  - 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;  
*No exceptions noted.*
  - 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  
*No exceptions noted.*
  - 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.  
*[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.]*  
*No exceptions noted.*
- 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
- 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  
*No exceptions noted.*
  - 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.  
*No exceptions noted.*
- 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

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entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

*No exceptions noted.*

**6) Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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- 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.
- 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  
*No exceptions noted.*
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.  
*No charges or fees assessed.*
- 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.

*No exceptions noted.*

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

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- 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:
  - 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](http://www.gsa.gov));  
*Not applicable.*
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

*No exceptions noted.*



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- 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  
*No exceptions noted.*
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.  
*No exceptions noted.*

## 8) **Contracts**

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- 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:
  - 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;  
*No exceptions noted.*
  - 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);  
*No exceptions noted.*
  - 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 exceptions noted.*
  - 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.  
*No exceptions noted.*

## 9) **Payroll and Personnel**

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- 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.  
*No exceptions noted.*
- 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);  
*No exceptions noted.*
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;  
*No exceptions noted.*

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

*Not applicable.*

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

*No exceptions noted.*

- 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.

*Not applicable.*

- 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.

*No exceptions noted.*

#### **10) Ethics**

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- 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

*No exceptions noted.*

- 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.

*No written policy on ethics.*

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

*No exceptions noted.*

#### **11) Debt Service – Not applicable**

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- 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.

- 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).

#### **12) Fraud Notice**

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- 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

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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.

*Not applicable.*

- 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.

*No exceptions noted.*

### ***13) Information Technology Disaster Recovery/Business Continuity***

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- 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.

*Data is backed up but with no encryption.*

- 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.

*No exceptions noted.*

- 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.

*No exceptions noted.*

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

*No exceptions noted.*

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

*No exceptions noted.*

### ***14) Prevention of Sexual Harassment***

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- 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.

*No exceptions noted.*

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- 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).

*No exceptions noted.*

- 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:

- i. Number and percentage of public servants in the agency who have completed the training requirements;  
*8 completed training; 100%.*
- ii. Number of sexual harassment complaints received by the agency;  
*None.*
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;  
*Not applicable.*
- 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 of Simpson, Louisiana to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Village of Simpson, Louisiana 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.

Windham & Reed CPA, L.L.C.  
DeRidder, Louisiana  
November 15, 2024