

VILLAGE OF COLLINSTON, LOUISIANA

*Financial Report
For the Year Ended December 31, 2020*



VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountant’s Review Report -----	1-2
<u>Required Supplemental Information (Part A)</u>	
Management’s Discussion and Analysis-----	3-7
<u>Basic Financial Statements</u>	
Government-Wide Financial Statements	
Statement of Net Position -----	8
Statement of Activities -----	9
Fund Financial Statements	
Governmental Funds:	
Balance Sheet -----	10
Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Position-----	10
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds -----	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities -----	11
Proprietary Funds:	
Statement of Net Position -----	12
Statement of Revenues, Expenses, and Changes in Fund Net Position -----	13
Statement of Cash Flows -----	14
Notes to the Financial Statements -----	15-26
<u>Required Supplemental Information (Part B)</u>	
Budgetary Comparison Schedules - Governmental Funds -----	27
Notes to the Budgetary Comparison Schedule -----	28

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS (continued)

Supplemental Information

Schedule of Compensation to Board of Aldermen -----	29
Schedule of Compensation, Benefits, Reimbursements and Other Payments to or on Behalf of Agency Head -----	30
Schedule of Findings and Responses -----	31-34
Status of Prior Year Findings-----	35-36
Justice System Funding Schedule – Collecting/Disbursing Entity, as Required by Act 87 of the 2020 Regular Legislative Session -----	37
Independent Accountant’s Report on Applying Agreed-Upon Procedures -----	38-41
Louisiana Attestation Questionnaire-----	42-44



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Mayor and Board of Aldermen
Village of Collinston
Collinston, Louisiana

I have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Collinston, Louisiana (the Village), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

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



To the Mayor and Board of Aldermen
Village of Collinston
Collinston, Louisiana

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 pages 3 through 7 and page 27, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited such required supplementary information, and, accordingly, I do not express an opinion on such information.

Other Information

The accompanying schedule of compensation to board of aldermen and schedule of compensation, benefits, reimbursements, and other payments to agency head on pages 29 and 30, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the supplementary information and, accordingly, do not express an opinion on such information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report date May 13, 2022, on the results of our agreed-upon procedures.

Maxwell CPA, LLC

Monroe, Louisiana
May 13, 2022

**REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS**

VILLAGE OF COLLINSTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020

As management of the Village of Collinston, Louisiana, we offer readers of the Village of Collinston's financial statements this narrative overview and analysis of the financial activities of the Village for the year ended December 31, 2020. This discussion and analysis of management is designed to provide an objective and easy-to-read analysis of the Village's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the Village's finances. It is also intended to provide readers with an analysis of the short-term and long-term activities of the Village based on information presented in the financial report and fiscal policies that have been adopted by the Village. Specifically, this section is designed to assist the readers in focusing on significant financial issues, provide an overview of the Village's financial activity, identify changes in the Village's financial position (its ability to address the next and subsequent years' challenges), identify any material deviations from the financial plan (approved budget), and identify individual issues or concerns of individual funds.

As with other sections of the financial report, the information contained within the MD&A should be considered only a part of the greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Supplementary Information ("RSI") that is provided in addition to this Discussion and Analysis of Management.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village of Collinston's financial statements. The Village of Collinston's basic financial statements are comprised of the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Government-wide financial statements are designed by GASB Statement No. 34 to change the way in which government financial statements are presented. It now provides readers for the first time with a concise "entity-wide" statement of net position and statement of activities, seeking to give the users of the financial statements a broad overview of the Village of Collinston's financial position and operations, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Village's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between assets and liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the village is improving or weakening. Evaluation of the overall economic health of the Village would extend to other nonfinancial factors in addition to the financial information provided in this report.

The statement of activities presents information detailing how the Village's net position changed during the most recent year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of this statement is to show the financial reliance of the Village's distinct activities or functions on revenues provided by the citizenry of the Village.

The government-wide financial statements report governmental activities of the Village that are principally supported by tax revenues. Governmental activities include general administrative, sanitation, public safety (police), and public works (streets) services.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Village uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Village as a whole with major funds being separately reported.

NOTES TO FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide additional information essential to a full understanding of the government-wide and fund financial statements. The notes begin immediately following the basic financial statements.

In addition to the basic financial statements, the Village also includes in a subsequent section of this report additional information to supplement the basic financial statements.

The Village has two types of funds:

1. Governmental Funds

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Village's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitments of spendable resources for the near term.

2. Proprietary Fund

The proprietary fund is reported in the fund financial statements and generally reports services for which the Village charges customers a fee. The fund essentially encompasses the same functions reported as business-type activities in the government-wide financial statements. Services are provided to customers external to the Village. Proprietary fund financial statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements, but with more detail.

The following provides a summary of the net position of the Village as of December 31:

Village of Collinston, Louisiana
Management Discussion and Analysis (continued)

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 58,356	\$ 63,541	\$ 67,980	\$ 70,127	\$ 126,336	\$ 133,668
Capital Assets	<u>62,046</u>	<u>72,984</u>	<u>868,248</u>	<u>956,686</u>	<u>930,294</u>	<u>1,029,670</u>
Total Assets	120,402	136,525	936,228	1,026,813	1,056,630	1,163,338
Current Liabilities	18,838	17,748	39,751	39,307	58,589	57,055
Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>308,872</u>	<u>308,925</u>	<u>308,872</u>	<u>308,925</u>
Total Liabilities	18,838	17,748	348,623	348,232	367,461	365,980
Net Position						
Invested in Capital Assets	62,046	72,984	579,793	659,181	641,839	732,165
Unrestricted	<u>39,518</u>	<u>45,793</u>	<u>7,812</u>	<u>19,400</u>	<u>47,330</u>	<u>65,193</u>
Total Net Position	<u>\$ 101,564</u>	<u>\$ 118,777</u>	<u>\$ 587,605</u>	<u>\$ 678,581</u>	<u>\$ 689,169</u>	<u>\$ 797,358</u>

As noted earlier, net position may serve over time as a useful indicator of the Village's financial position. The Village will use the unrestricted net position to meet the ongoing obligations to users of its services and creditors.

The following summarizes the Village's net position changes between the two years ended December 31:

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for Services	\$ 42,820	\$ 60,443	\$ 153,442	\$ 125,406	\$ 196,262	\$ 185,849
Operating Grants and Contributions	2,959	-	-	-	2,959	-
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues						
Property Taxes	10,984	10,701	-	-	10,984	10,701
Franchise Taxes	3,205	4,382	-	-	3,205	4,382
Sales Taxes	36,452	21,688	-	-	36,452	21,688
Other General Revenues	<u>22,800</u>	<u>29,478</u>	<u>24</u>	<u>55</u>	<u>22,824</u>	<u>29,533</u>
Total Revenues	119,220	126,692	153,466	125,461	272,686	252,153
Expenses						
General Government	102,855	93,178	-	-	102,855	93,178
Police Protection	27,853	35,735	-	-	27,853	35,735
Public Works	5,725	5,725	-	-	5,725	5,725
Operating Services	<u>-</u>	<u>-</u>	<u>244,442</u>	<u>221,944</u>	<u>244,442</u>	<u>221,944</u>
Total Expenses	<u>136,433</u>	<u>134,638</u>	<u>244,442</u>	<u>221,944</u>	<u>380,875</u>	<u>356,582</u>
Increase (Decrease) in Net Position	<u>\$ (17,213)</u>	<u>\$ (7,946)</u>	<u>\$ (90,976)</u>	<u>\$ (96,483)</u>	<u>\$ (108,189)</u>	<u>\$ (104,429)</u>

Village of Collinston, Louisiana

Management Discussion and Analysis (continued)

The Village's total revenues increased by \$20,533 mainly because of an increase in water revenues while the total cost of all programs and services increased by \$24,293. Operating and capital grants totaling \$2,959 were received during the year ended December 31, 2020. The Village's expenses cover a range of services with the majority related to personnel costs.

General revenues are those available for the Village to pay for the governmental activities. For the year ended December 31, 2020, taxes were the largest general revenue source for the Village. Sales taxes were the largest individual tax revenue source.

Program revenues derive directly from the program itself or from parties outside the Village's taxpayers or citizenry. As a whole, they reduce the cost of the function to be financed from the Village's general revenues.

BUSINESS-TYPE ACTIVITIES

Operating expenses of the business-type activities for the year ended December 31, 2020 increased \$22,498 from the prior year while revenues generated by charges for services increased by \$28,036.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As of December 31, 2020, the Village's governmental fund reported an ending fund balance of \$39,518 a decrease of \$6,275 from \$45,793 as of December 31, 2019. The fund balance of the governmental fund is classified as unassigned as it is available for any purpose.

BUDGETARY HIGHLIGHTS

In accordance with the Louisiana Local Government Budget Act, the Village of Collinston must adopt a budget for the general fund prior to December 31. The original budget was adopted on December 10, 2019, and the final amended budget was adopted on December 8, 2020.

CAPITAL ASSETS

As of December 31, 2020, the Village had invested \$930,294 in a broad range of capital assets, including land, buildings, vehicles, streets, and water and sewer systems.

Village of Collinston Capital Assets

December 31, 2020

Land	\$	9,150
Buildings and improvements		112,809
Equipment and vehicles		179,429
Streets and drainage		143,958
Water and sewer system		2,787,946
Total		<u>3,233,292</u>
Less: accumulated depreciation		<u>(2,302,998)</u>
Total Capital Assets	\$	<u><u>930,294</u></u>

Village of Collinston, Louisiana

Management Discussion and Analysis (continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Total revenue and expenditures in the Village's proposed budget for the General Fund for the year ending December 31, 2021 remained relatively unchanged from those adopted for the year ended December 31, 2020.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's financial picture for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village Clerk, P. O. Box 188, Collinston, Louisiana 71229.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 22,100	\$ 831	\$ 22,931
Accounts Receivable	5,411	6,935	12,346
Restricted Cash	-	91,059	91,059
Internal Balances	30,845	(30,845)	-
Capital Assets:			
Land	3,650	5,500	9,150
Capital Assets, Net of Depreciation	58,396	862,748	921,144
<u>TOTAL ASSETS</u>	<u>120,402</u>	<u>936,228</u>	<u>1,056,630</u>
<u>LIABILITIES</u>			
Accounts Payable	2,500	1,169	3,669
Payroll Accruals and Withholdings	16,338	28,968	45,306
Customer Deposits Payable	-	30,031	30,031
Noncurrent Liabilities			
Due Within One Year	-	9,607	9,607
Due in More Than One Year	-	278,848	278,848
<u>TOTAL LIABILITIES</u>	<u>18,838</u>	<u>348,623</u>	<u>367,461</u>
<u>NET POSITION</u>			
Invested in Capital Assets	62,046	579,793	641,839
Unrestricted	39,518	7,812	47,330
<u>TOTAL NET POSITION</u>	<u>\$ 101,564</u>	<u>\$ 587,605</u>	<u>\$ 689,169</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs				
<u>Primary Government:</u>				
Government Activities				
General Government	\$ 102,855	\$ -	\$ 2,959	\$ -
Public Safety	27,853	42,820	-	-
Public Works	5,725	-	-	-
Total Government Activities	<u>136,433</u>	<u>42,820</u>	<u>2,959</u>	<u>-</u>
<u>Business-Type Activities:</u>				
Water and Sewer	<u>244,442</u>	<u>153,442</u>	<u>-</u>	<u>-</u>
<u>Total Primary Government</u>	<u>\$ 380,875</u>	<u>\$ 196,262</u>	<u>\$ 2,959</u>	<u>\$ -</u>

General Revenues:

Property Taxes
Franchise Taxes
Sales Taxes
Licenses and Permits
Interest Income
Other Revenues
Total General Revenues

Changes in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and Changes in
Net Position of Primary Government

Governmental Activities	Business-Type Activities	Totals
\$ (99,896)	\$ -	\$ (99,896)
14,967	-	14,967
<u>(5,725)</u>	-	<u>(5,725)</u>
(90,654)	-	(90,654)
-	(91,000)	(91,000)
(90,654)	(91,000)	(181,654)
10,984	-	10,984
3,205	-	3,205
36,452	-	36,452
13,629	-	13,629
111	24	135
9,060	-	9,060
<u>73,441</u>	<u>24</u>	<u>73,465</u>
(17,213)	(90,976)	(108,189)
<u>118,777</u>	<u>678,581</u>	<u>797,358</u>
<u>\$ 101,564</u>	<u>\$ 587,605</u>	<u>\$ 689,169</u>

See accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS - GENERAL FUND
DECEMBER 31, 2020

ASSETS

Cash and Cash Equivalents	\$ 22,100
Receivables	5,411
Due From Other Funds	<u>30,845</u>
Total Assets	<u><u>58,356</u></u>

LIABILITIES

Accounts Payable	\$ 2,500
Payroll Accruals and Withholdings	<u>16,338</u>
Total Liabilities	18,838

FUND BALANCES

Unassigned	<u>39,518</u>
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<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u><u>\$ 58,356</u></u>
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VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
RECONCILIATION OF GOVERNMENTAL
FUND BALANCES TO STATEMENT OF NET POSITION
DECEMBER 31, 2020

Total Governmental Fund Balances	\$ 39,518
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*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 funds, net of depreciation.

<u>62,046</u>

Net Position of Governmental Activities

<u><u>\$ 101,564</u></u>

See accompanying notes and independent accountant's review report.

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCE - GOVERNMENTAL FUNDS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

Revenues

Taxes:

Franchise Tax	\$ 3,205
Ad Valorem Tax	10,984
Sales Tax	36,452
Licenses and Permits	13,629
Fines and Forfeitures	42,820
Intergovernmental	2,959
Use of Money and Property	8,111
Other Revenues	1,060
Total Revenues	<u>119,220</u>

Expenditures

General Government	102,108
Public Safety	23,387
Total Expenditures	<u>125,495</u>

Net Change in Fund Balance

(6,275)

Fund Balances - Beginning

45,793

FUND BALANCES - ENDING

\$ 39,518

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ (6,275)
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*Amounts reported for governmental activities
in the statement of activities are different
because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	-	
Depreciation Expense	<u>(10,938)</u>	<u>(10,938)</u>

Change in Net Position of Governmental Activities	<u>\$ (17,213)</u>
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See accompanying notes and independent accountant's review report.

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND - WATER AND SEWER FUND
DECEMBER 31, 2020

ASSETS

Current Assets

Cash and Cash Equivalents	\$	831
Receivables, net of allowance		6,935
Total Current Assets		7,766

Restricted Assets

Cash and Cash Equivalents		91,059
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Capital Assets

Land		5,500
Depreciable		2,859,761
Total Capital Assets		2,865,261
Accumulated Depreciation		(1,997,013)
Net Capital Assets		868,248

TOTAL ASSETS

\$ 967,073

LIABILITIES

Current Liabilities

Accounts Payable	\$	1,169
Salaries and Related Payables		28,968
Due To Other Funds		30,845
Customer Deposits Payable		30,031
Revenue Bonds Payable - Current		9,614
Total Current Liabilities		100,627

Noncurrent Liabilities

Revenue Bonds Payable		278,841
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TOTAL LIABILITIES

379,468

NET POSITION

Net Investment in Capital Assets		579,793
Unrestricted (Deficit)		7,812

TOTAL NET POSITION

\$ 587,605

See accompanying notes and independent accountant's review report.

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUND - WATER AND SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

Operating Revenues

Charges for Services:	
Water Fees	\$ 127,828
Sewer Fees	25,614
Total Operating Revenues	153,442

Operating Expenses

Contract Labor	31,625
Depreciation	88,438
Dues and Subscriptions	954
Fuel	1,343
Other Expenses	2,935
Repairs and Maintenance	17,933
Salaries and Wages	51,979
Payroll Taxes	4,226
Supplies	16,970
Utilities	14,703
Total Operating Expenses	231,106

Operating Income (Loss) (77,664)

Nonoperating Income (Expense)

Interest Income	24
Interest Expense	(13,336)
Total Nonoperating Income (Expense)	(13,312)

Change in Net Position (90,976)

Net Position - Beginning 678,581

NET POSITION - ENDING **\$ 587,605**

See accompanying notes and independent accountant's review report.

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

Cash Flows from Operating Activities

Receipts from Customers and Users	\$ 158,602
Payments to Suppliers	(85,294)
Payments to Employees for Services and Benefits	(57,353)
Net Cash Provided by Operating Activities	15,955

Cash Flows from Noncapital Financing Activities

Increase in Customer Deposits	9,420
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Cash Flows from Capital and Related Financing Activities

Principal Paid on Debt	(9,050)
Interest Paid on Debt	(13,336)
Net Cash Flows from Capital and Related Financing Activities	(22,386)

Cash Flows from Investing Activities

Interest Received	24
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Net Increase in Cash and Cash Equivalents 3,013

Cash and Cash Equivalents, Beginning of the Year 88,877

CASH AND CASH EQUIVALENTS AT END OF YEAR **\$ 91,890**

Shown on the Accompanying Statement of Net Position as:

Cash	\$ 831
Restricted Assets - Cash	91,059
Total Cash	\$ 91,890

Reconciliation of Operating Loss to Net Cash Provided by Operating Activities

Operating Loss	\$ (77,664)
Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities	
Depreciation Expense	88,438
Decrease in Accounts Receivable	5,160
Increase in Accounts Payable	1,169
Decrease in Payroll Accruals and Withholdings	(1,148)
Total Adjustments	93,619
Net Cash Provided by Operating Activities	\$ 15,955

See accompanying notes and independent accountant's review report.

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Organization and Summary of Significant Accounting Policies

The Village of Collinston, Louisiana (the Village), operates under a Mayor-Board of Alderman Form of government in accordance with the provisions of the Lawrason Act. Citizens elect the mayor (at large) and three council members (by districts) who are each compensated. The Village is located in Northeast Louisiana, its population is approximately 375. The Village employs a clerk, utility superintendent, a police chief and one full-time and one part-time officer. As of December 31, 2020, the Village services approximately 210 utility customers and maintains approximately three miles of streets.

The Village provides general government, public safety (police), public works (streets, water and sanitation), and public improvements services.

GASB Statement No. 14, *The Reporting Entity*, as amended by GASB No. 39, *Determining Whether Certain Organizations Are Component Units* 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, as it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

The 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 includes:

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.

Based on the criteria, the Village has determined that Sewer District No. 1 of Village of Collinston, Louisiana, is a component unit of the reporting entity. As required by generally accepted accounting principles (GAAP), these financial statements present the primary government (the Village) and its component unit. The component unit is reported as part of the municipality and blended with the appropriate municipality funds.

Component units that are legally separate from the municipality but are so intertwined with the municipality that they are, in substance, the same as the municipality are blended component units.

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

For a component unit to be blended, the organization's board and the municipality must be substantively the same, or the organization must provide services entirely or almost entirely to the municipality.

Considered also in the determination of component units of the reporting entity were Eighth Ward Fire Protection District No. 1 of Morehouse Parish, Louisiana. It was determined that this governmental entity is not component unit for the Village's reporting entity.

The more significant of the Village's accounting policies are described below:

A. Government-Wide Financial Statements

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

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

B. Fund Financial Statements

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

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

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

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

D. Fund Type and Major Fund

The Village reports the following major governmental fund:

General Fund - the general fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

The Village reports the following major proprietary fund, the Water and Sewer Enterprise Fund

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 Village's enterprise operations and its governmental operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. However, there were no payments-in-lieu of taxes for the ended December 31, 2020.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

principal ongoing operations. The Water and Sewer Fund is principal operating revenues are water and sewer usage fees. Operating expenses for enterprises funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

E. Fund Balance Type Definitions

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, Village of Collinston classifies governmental fund balances as follows:

1. Non-spendable – Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
2. Restricted – Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions, or enabling legislation.
3. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Fund balance may be committed by the Board of Aldermen.
4. Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Aldermen intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
5. Unassigned – Includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

F. Receivables and Payables

Activity between funds outstanding at the end of the fiscal year, including lending and borrowing arrangements, is 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). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

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. All trade and property tax receivables are shown net of an allowance for uncollectibles, when material.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied by the Village in September or October, are actually billed to the taxpayers in November and are due and payable on or before December 31 of the same year. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year they are billed. The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Morehouse Parish. For the year ended December 31, 2020, taxes of 8.03 mills were levied on property with assessed valuations totaling \$1,388,867.

G. Budgets

The Village of Collinston (Mayor and Board of Aldermen) adopt an annual budget for the General Fund prior to December 31. The annual budget is prepared in accordance with the basis of accounting utilized by the funds. The Village's clerk is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter the total expenditures resulting from revenues exceeding amounts estimated must be approved by the Board of Aldermen. The budgetary comparison schedule, included as supplementary information in the accompanying financial statements, includes the original and amended budgeted amounts. All annual appropriations lapse at fiscal year-end.

H. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village of Collinston may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Some of the cash and cash equivalents are restricted. Cash deposits are reported at carrying amount which reasonably approximates fair value.

I. Investments

Under state law, the Village may invest in United States bonds, notes or certificates. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

J. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the fund financial statements balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

K. Elimination and Reclassifications

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities’ column.

L. Inventories

Inventories are accounted for using the consumption method, where expenditures are recognized as the inventory is used. All purchased inventory items are valued at cost using the first-in/first-out method.

M. Capital Assets

Capital Assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. The capitalization threshold for equipment is \$2,500. Estimated useful life is management’s estimate of how long the asset is expected to meet service demands.

Straight-line depreciation is used based on the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Streets	20 Years
Buildings and Building Improvements	20-25 Years
Machinery and equipment	5-10 Years
Water and Sewer System	10-25 Years

N. Compensated Absences

Allowable annual vacation and sick leave is prescribed by municipal ordinance and based on length of continuous employment by the Village. Compensatory time is also granted to supervisory personnel in lieu of overtime pay and should be used by the end of the fiscal year. Payment for unused compensatory time requires approval of the Mayor and Board of Aldermen.

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

The Village's recognition and measurement criteria for compensated absences are as follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

O. Compensated Absences

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following approaches:

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who are expected to become eligible in the future to receive such payments.

Compensated absences are paid from the fund responsible for the employee's compensation.

No liability existed as of December 31, 2020, for accrued compensated absences resulting from unused vacation time at the end of the year and no liability was recorded for non-vesting accumulating rights to receive sick pay benefits.

P. Restricted Net Position

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

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

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

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

Q. Fund Equity

Equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consist 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.

Restricted Net Positions – Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or law or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted Net Position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

R. Interfund Activity

Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payable as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

S. Use of Estimates

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

Note 2 - Cash and Cash Equivalents

Custodial credit risk is the risk that, in the event of a bank failure, the Village's deposits may not be returned to it. The Village's policy to ensure that there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage.

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 2 - Cash and Cash Equivalents (continued)

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Village that the fiscal agent bank has failed to pay deposited funds upon demand.

At December 31, 2020, the Village has cash and cash equivalents (book balances) totaling \$113,990, as follows:

Cash and Cash Equivalents:	
Demand Deposits	\$ 17,931
Time Deposits	5,000
Total	22,931
Cash and Cash Equivalents - Restricted:	
Demand Deposits	91,059
Total	\$ 113,990

These deposits are stated at cost which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

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. As of December 31, 2020, the Village had \$127,897 in deposits (collected bank balances). These deposits were secured from risk by federal deposit insurance.

Note 3 - Receivables

The following is a summary of receivables at December 31, 2020:

	General	Water/ Sewer
Taxes:		
Ad Valorem	\$ 1,160	\$ -
Sales	3,064	-
Franchise	1,187	-
Accounts	-	14,407
Subtotal	5,411	14,407
Allowance for Doubtful Accounts	-	(7,472)
Total	\$ 5,411	\$ 6,935

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 4 - Capital Assets

A schedule of changes in capital assets for the year ended December 31, 2020, follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 3,650	\$ -	\$ -	\$ 3,650
Capital Assets Being Depreciated:				
Streets	143,958	-	-	143,958
Buildings	82,712	-	-	82,712
Building Improvements	30,097	-	-	30,097
Machinery and Equipment	107,614	-	-	107,614
Total Capital Assets Being Depreciated	364,381	-	-	364,381
Less Accumulated Depreciation for:				
Streets	82,408	5,725	-	88,133
Buildings	82,712	-	-	82,712
Building Improvements	26,779	747	-	27,526
Machinery and Equipment	103,148	4,466	-	107,614
Total Accumulated Depreciation	295,047	10,938	-	305,985
Total Capital Assets Being Depreciated	69,334	(10,938)	-	58,396
Governmental Activities, Capital Assets, Net	<u>\$ 72,984</u>	<u>\$(10,938)</u>	<u>\$ -</u>	<u>\$ 62,046</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 5,500	\$ -	\$ -	\$ 5,500
Capital Assets Being Depreciated:				
Water and Sewer Systems	2,787,946	-	-	2,787,946
Machinery and Equipment	71,815	-	-	71,815
Total Capital Assets Being Depreciated	2,859,761	-	-	2,859,761
Less Accumulated Depreciation for:				
Water and Sewer Systems	1,842,803	85,617	-	1,928,420
Machinery and Equipment	65,772	2,821	-	68,593
Total Accumulated Depreciation	1,908,575	88,438	-	1,997,013
Total Capital Assets Being Depreciated	951,186	(88,438)	-	862,748
Business-Type Activities, Capital Assets, Net	<u>\$ 956,686</u>	<u>\$(88,438)</u>	<u>\$ -</u>	<u>\$ 868,248</u>

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 4 - Capital Assets (continued)

Depreciation expense of the governmental activities of \$10,938 is included in the following functions in the statement of activities for 2020:

General Government	\$ 747
Public Safety	4,466
Public Works	<u>5,725</u>
	<u>\$ 10,938</u>

Note 5 - Long-Term Obligations

The Village issues bonds where the Village pledges income derived from the acquired or constructed asset to pay debt service.

Bonds payable as of December 31, 2020, are comprised of the following issues:

\$411,000 Water Revenue Bonds, Series 2000 dated September 27, 2000, payable in monthly installments of \$1,866 beginning October 27, 2001, and ending October 27, 2040, including interest at 4.5%. The Water and Sewer Fund services this debt.

Long-term activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Business-Type Activities:				
Water Revenues Bonds,				
Series 2000 - \$411,000 Bonds	\$ 297,505	\$ -	\$ 9,050	\$ 288,455

Annual debt service requirements to maturity for bonds are as follows:

	<u>\$411,000 Water Revenue Bonds, Series 2000</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 9,607	\$ 12,784
2022	10,049	12,343
2023	10,510	11,881
2024	10,993	11,398
2025	11,498	10,893
2026-2030	65,917	46,040
2031-2035	82,514	29,442
2036-2040	<u>87,367</u>	<u>8,882</u>
Totals	<u>\$ 288,455</u>	<u>\$ 143,663</u>

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 6 - Contingencies

The Village operates water and sewer treatment plants. These operations pose a high risk for environmental liabilities. The Village is required to have EPA permits for wastewater. The Village relies on the EPA for periodic testing and inspections to help identify environmental liabilities or contingencies.

There was no litigation pending as of December 31, 2020.

Note 7 - Risk Management

The Village is exposed to various risks of loss relating to torts, theft of, damage to, and destruction of assets, errors, and omissions, injuries to employees, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

Note 8 - Subsequent Events

Management has evaluated subsequent events through May 13, 2022, the date on which the financial statements were available to be released.

**REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULE**

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
GOVERNMENTAL FUND - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes:				
Ad Valorem	\$ 10,500	\$ 11,153	\$ 10,984	\$ (169)
Sales and Use	22,000	33,200	36,452	3,252
Franchise Taxes	3,500	3,208	3,205	(3)
Other Taxes, Penalties and Interest	-	-	-	-
Licenses and Permits	14,829	13,629	13,629	-
Intergovernmental Revenues				-
Other State Funds	15,000	2,960	2,959	(1)
Fines and Forfeitures	58,000	39,675	42,820	3,145
Use of Money and Property	8,060	8,100	8,111	11
Other Revenues	1,000	5,075	1,060	(4,015)
Transfers In	-	4,000	-	(4,000)
Total Revenues	<u>132,889</u>	<u>121,000</u>	<u>119,220</u>	<u>(1,780)</u>
<u>Expenditures</u>				
General Government	96,280	111,136	102,108	9,028
Public Safety	28,850	23,340	23,387	(47)
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Expenditures	<u>125,130</u>	<u>134,476</u>	<u>125,495</u>	<u>8,981</u>
<u>Net Change in Fund Balance</u>	<u>7,759</u>	<u>(13,476)</u>	<u>(6,275)</u>	<u>7,201</u>
<u>Fund Balance at Beginning of Year</u>	<u>-</u>	<u>-</u>	<u>45,793</u>	<u>45,793</u>
<u>Fund Balance at End of Year</u>	<u>\$ 7,759</u>	<u>\$ (13,476)</u>	<u>\$ 39,518</u>	<u>\$ 52,994</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2020

Budget Information

The Village uses the following budget practices:

A proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is normally presented to the board of aldermen in June each year. The budget is legally adopted by the board of aldermen and amended during the year as necessary. Budgets are established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. There was one budget amendment during the year ended December 31, 2020.

The budget comparison statements included in the accompanying financial statements reflect the original proposed budget. Accounting principles applied for purposes of developing data on a budgetary basis and those used to present financial statements in conformity with generally accepted accounting principles are the same and no adjustment is necessary to convert the actual GAAP data to the budgetary basis.

SUPPLEMENTAL INFORMATION

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
SCHEDULE OF COMPENSATION TO BOARD OF ALDERMEN
FOR THE YEAR ENDING DECEMBER 31, 2020

Dorothy Bradshaw	\$ 2,400
Renee Pates	2,400
Brenda Fenceroy	<u>2,400</u>
TOTAL	\$ 7,200

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, REIMBURSEMENTS
AND OTHER PAYMENTS TO OR ON BEHALF OF AGENCY HEAD
FOR THE YEAR ENDING DECEMBER 31, 2020

Christopher Carter, Mayor

Salary	\$	3,600
Benefits:		
Social Security		223
Medicare		52
Total	\$	<u>3,875</u>

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020

The following matters were noted while performing review procedures and the agreed-upon procedures reported on above.

2020-01 Funding Requirements of Loan Resolution

Criteria

The loan agreements with United States Department of Agriculture require that certain amounts be set aside in specific bank accounts each year to be used only for repairing or improving the water and sewer systems or to make loan repayments.

Condition

There was insufficient documentation to determine what the reserve and sinking fund requirements were. However, the Village has a sinking fund, a reserve fund, and a depreciation fund with balances of \$33,871, \$32,829, and \$9,434, respectively.

Cause

Funds were limited for many years and management was unsure of the required amounts. Management has attempted to obtain copies of the requirements from USDA but has been unsuccessful.

Effect

The Village may be in violation with the requirements of loan resolutions.

Recommendation

I recommend that management continue to attempt to locate copies of the debt agreements and other documents. The Village should also timely make the required monthly deposits and fund the deficit.

Management's Response and Planned Corrective Action

The Village will continue to try to resolve the matter.

2020-02 Report Submitted Late

Criteria

Louisiana Revised Statute 24:513 required that the Village's annual reports be submitted to the Legislative Auditor within six months of year end.

Condition

The Village's 2020 Review and Attestation Report were not submitted by June 30, 2021.

Cause

The Village was unable to give the accountant the data required to complete the review and the agreed-upon procedures.

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020 (continued)

2020-02 Report Submitted Late (continued)

Effect

The Village is in violation of state law regarding submitting its annual report. Entities who are late are placed on a noncompliance list and cannot receive state funds until their report is submitted.

Recommendation

I recommend that the Village:

1. Post all adjusting entries.
2. Verify that the trial balances match the audited balances after adjustment.
3. Utilize the accounting software's payroll software service to ensure that payroll is accurate and properly posted and proper reports are readily available.
4. Ensure that accounting records and requested data are complete and submitted to the accountant as early as possible. Ideally, the Village should be ready for audit or review within sixty days of year end.

Management's Response and Planned Corrective Action

The Village will implement the above recommendations.

2020-03 Payroll Tax Returns and Payments Filed Late

Criteria

Federal regulations and state law require timely filing of returns and payments.

Condition

Multiple returns were filed late for 2020. As of December 31, 2020, the Village had outstanding balances for federal and state payroll tax liabilities totaling approximately \$45,000.

Cause

The cause is unknown.

Effect

The Village is incurring penalties and interest on payroll taxes and is not in compliance with federal and state law.

Recommendation

I recommend that the Clerk design and implement policies and procedures to ensure that filing and payments are timely.

Management's Response and Planned Corrective Action

We will implement the accountant's recommendation.

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020 (continued)

2020-04 Net Operating Loss in Proprietary Fund

Criteria

The Village should fix and maintain rates and collect charges for all services and facilities to be rendered by the water and sewer system sufficient to provide for the payment of the reasonable and necessary expenses of administration, operation, and maintenance of the system.

Condition

If the results of operations are the same in 2021 as they were in 2020, the Village will have deficits as follows:

	Enterprise
	(Unrestricted)
Balance, December 31, 2020	\$ 7,812
Assumption-Operations 2021	(2,538)
Balance, December 31, 2021	\$ 5,274

Cause

The current rate structure is insufficient to provide for the payment of the reasonable and necessary expenses of administration, operation, and maintenance of the water and sewer system.

Effect

The Village continues to incur operating losses and struggles to pay bills as they come due, including maintenance to the water and sewer systems.

Recommendation

I recommend that management and the Board continue to explore options to increase revenues and/or decrease expenditures/expenses. Water and sewer rates must be sufficient to operate, maintain, repair, and update the systems. Management should contact the Louisiana Rural Water Association for assistance in evaluating water and sewer rates and to register for available system management training.

Management's Response and Planned Corrective Action

We have recently raised water rates by \$5 and will continue to evaluate our financial condition and work on eliminating the operating deficits.

2020-05 Traffic Ticket Disbursements

Criteria

State law requires fees to be assessed on traffic citations and paid to appropriate agencies.

Condition

The Village did not assess the appropriate fees on traffic citations and therefore did not make all the proper disbursements to agencies as required by state law.

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020 (continued)

2020-05 **Traffic Ticket Disbursements** (continued)

Cause

The Village is unfamiliar with some laws regarding traffic citations.

Effect

The Village is not in compliance with state law.

Recommendation

The Village should review laws and guidance regarding traffic citations and mayors court to become familiar with all assessments required on traffic tickets.

Management's Response and Planned Corrective Action

The Village will review the information provided by the Louisiana Legislative Auditor, guidance on LMA's website, and any other available resources to become familiar with the requirements of writing traffic citations.

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

2019-01 Funding Requirements of Loan Resolution

Condition Found

There was insufficient documentation to determine what the reserve and sinking fund requirements were. However, the Village has a sinking fund, a reserve fund, and a depreciation fund with balances of \$19,309, \$21,997, and \$1,867, respectively.

Effect

The Village may be in violation with the requirements of loan resolutions.

Recommendation to Prevent Future Occurrences

I recommend that management continue to attempt to locate copies of the debt agreements and other documents. The Village should also timely make the required monthly deposits and fund the deficit.

Current Status

The finding was repeated as finding 2020-01.

2019-02 Report Submitted Late

Condition Found

The Village's 2019 review and attestation reports were not submitted by June 30, 2020.

Effect

The Village is in violation of state law regarding submitting its annual report. Entities who are late are placed on a noncompliance list and cannot receive state funds until their report is submitted.

Recommendation to Prevent Future Occurrences

I recommend that the Village:

1. Post all adjusting entries.
2. Verify that the trial balances match the audited balances after adjustment.
3. Utilize the accounting software's payroll software service to ensure that payroll is accurate and properly posted and proper reports are readily available.
4. Ensure that accounting records and requested data are complete and submitted to the accountant as early as possible. Ideally, the Village should be ready for audit or review within sixty days of year end.

Current Status

The finding was repeated as finding 2020-02.

VILLAGE OF COLLINSTON
COLLINSTON, LOUISIANA
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020 (continued)

2019-03 Payroll Tax Returns and Payments Filed Late

Condition Found

Multiple returns were filed late for 2019. As of December 31, 2019, the Village had outstanding balances for federal and state payroll tax liabilities totaling approximately \$40,000.

Effect

The Village is incurring penalties and interest on payroll taxes and is not in compliance with federal and state law.

Recommendation to Prevent Future Occurrences

I recommend that the Clerk design and implement policies and procedures to ensure that filing and payments are timely.

Current Status

The finding was repeated as finding 2020-03.

2019-04 Net Operating Loss in Proprietary Fund

Condition Found

If the results of operations are the same in 2020 as they were in 2019, the Village will have deficits as follows:

	Enterprise (Unrestricted)
Balance, December 31, 2019	\$ 18,968
Assumption-Operations 2020	(96,915)
Balance, December 31, 2020	\$ (77,947)

Effect

The Village continues to incur operating losses and struggles to pay bills as they come due, including maintenance to the water and sewer systems.

Recommendation to Prevent Future Occurrences

The Village should consider increases rates that will be sufficient to provide for the reasonable and necessary expenses of operating and maintaining the system. Also, the Village should monitor Proprietary Fund's budget to minimize the risk of operating expenses exceeding revenues generated by the system.

Current Status

The finding was repeated as finding 2020-04.

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information		
Entity Name	Village of Collinston	
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2359	
Date that reporting period ended (mm/dd/yyyy)	12/31/2020	
Cash Basis Presentation	First Six Month Period Ended 06/30/20	Second Six Month Period Ended 12/31/20
1. Beginning Balance of Amounts Collected (i.e. cash on hand)	5,253	5,323
2. Add: Collections		
a Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
b Bond Fees	-	-
c Asset Forfeiture/Sale	-	-
d Pre-Trial Diversion Program Fees	-	-
e Criminal Court Costs/Fees	\$ 23,038.62	\$18,931.51
f Criminal Fines - Contempt	-	-
g Criminal Fines - Other	-	-
h Restitution	-	-
i Probation/Parole/Supervision Fees	-	-
j Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
k Interest Earnings on Collected Balances	-	-
l Other (do not include collections that fit into more specific categories above)	-	-
m Subtotal Collections	23,039	18,932
3. Less: Disbursements To Governments & Nonprofits:		
<i>Treasurer, State of Louisiana -CMIS</i>	\$ (70.00)	\$ (66.00)
<i>Example - City of Walker, Criminal Fines - Other</i>	-	-
<i>Agency name/collection type</i>	-	-
<i>Agency name/collection type</i>	-	-
<i>Agency name/collection type</i>	-	-
<i>Agency name/collection type</i>	-	-
4. Less: Amounts Retained by Collecting Agency		
Criminal Court Costs/Fees	\$ 23,038.62	\$18,931.51
a Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
b Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
c Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other (Additional rows may be added as necessary)	-	-
5. Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
a Civil Fee Refunds	-	-
b Bond Fee Refunds	-	-
c Restitution Payments to Individuals (additional detail is not required)	-	-
d Other Disbursements to Individuals (additional detail is not required)	-	-
e Payments to 3rd Party Collection/Processing Agencies	-	-
6. Subtotal Disbursements/Retainage	22,969	18,866
7. Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 5,323.25	\$ 5,389.25
8. Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.	-	
9. Other Information:		
a Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	535	3,237
b Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	-	-



INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Mayor and Board of Aldermen
Village of Collinston
Collinston, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the Village of Collinston (the Village) and the Louisiana Legislative Auditor, on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2020, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Village is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

- 1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S.38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.**

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

Code of Ethics for Public Officials and Public Employees

- 2. Obtain a list of the immediate family members of each board member as defined by RS 42:1101-1124 (the ethics law).**

Management provided me with the requested information.



3. Obtain a list of all employees paid during the fiscal year.

Management provided me with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list of employees provided by management in agreed-upon procedure #3 appeared on the list provided by management in agreed-upon procedure #2 as immediate family members.

5. Obtain a list of all disbursements made during the year, and a list of outside business interest of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

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

Management provided me with a copy of the original and amended budgets.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute's book, and report whether there are any exceptions.

The budget was adopted by ordinance and approved before the end of the prior fiscal year in compliance with the Local Government Budget Act (R.S. 39:1305.D).

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

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. The actual revenues and expenditures of the Village were within 5% of the budgeted amounts.

Accounting and Reporting

9. Obtain the list of all disbursements made during the year. Randomly select six disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

a. Report whether the six disbursements agree to the amount and payee in the supporting documentation.

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

b. Report whether the six disbursements were coded to the correct fund and general ledger account.

All of the disbursements were properly coded in the general ledger.

c. Report whether the six disbursements were approved in accordance with management's policies and procedures.

Five out of six disbursements were approved in accordance with management's policies and procedures. I was not given documentation for one out of six disbursements.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

The Village is only required to post a notice of each meeting and the accompanying agenda on the door of Town Hall. The Village complied with this requirement.

Debt

11. Obtain bank deposit slips for the fiscal year and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

I scanned copies of all bank deposit slips for the fiscal year and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

I scanned payroll disbursements and read the council meeting minutes of the Village for the year. I found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.

Village of Collinston
Collinston, Louisiana
May 13, 2022

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Village's report was not submitted by the due date of June 30, 2021.

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

Management represented that the Village did not enter into any contracts that utilized state funds or that were subject to the public bid law, while not in compliance with R.S. 24:513 (the audit law).

Prior-Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

The prior year report included findings which are discussed in the schedule of findings.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

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

Maxwell CPA, LLC

Monroe, Louisiana
May 13, 2022

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

5/4/22

Maxwell CPA, LLC
8649 Hwy 165 N, Ste 2
Monroe, LA 71203

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2020 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No N/A

Code of Ethics for Public Officials and Public Employees

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

Yes No N/A

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

Yes No N/A

Budgeting

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

Yes No N/A

Accounting and Reporting

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes No N/A

Meetings

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

Yes No N/A

Debt

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

Yes No N/A

Advances and Bonuses

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

Yes No N/A

Prior-Year Comments

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

Yes No N/A

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No N/A

We acknowledge that we are responsible for determining that that the procedures performed are appropriate for the purposes of this engagement.

Yes No N/A

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

Yes No N/A

We have provided you with all relevant information and access under the terms of our agreement.

Yes No N/A

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

Yes No N/A

We are not aware of any material misstatements in the information we have provided to you.

Yes No N/A

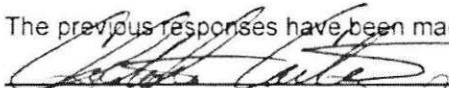
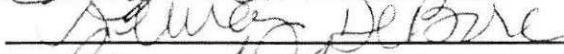
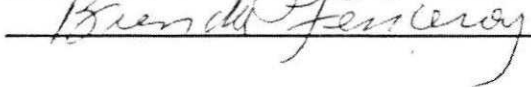
We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes [X] No [] N/A []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [X] No [] N/A []

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

	Mayor	<u>5-4-22</u>	Date
	Clerk	<u>5-4-22</u>	Date
	Alderman		Date