

VILLAGE OF NATCHEZ
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023



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October 30, 2024

Independent Auditors' Report

To the Mayor and Board of Aldermen
Village of Natchez, 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 Natchez, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Natchez 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.

Emphasis-of-Matter

As discussed in Note 10 to the financial statements, the Village has suffered recurring losses from operations. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note 10. Our opinion is not modified with respect to this matter.

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 Natchez'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.



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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 Natchez’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 Natchez’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 described in the accompanying table of contents 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Natchez’s basic financial statements. The Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer, the Schedule of Per Diem Paid to Board Members, and the Justice System Funding Schedule, described as additional information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Village of Natchez
October 30, 2024

The additional information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 additional information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2024 on our consideration of the Village of Natchez's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Natchez's internal control over financial reporting and compliance.



Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana

Village of Natchez

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

This section of the annual financial report presents our discussion and analysis of the Village's financial performance during the fiscal year ended June 30, 2023.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Village's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The government-wide financial statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. These financial statements report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Village's assets and all of the Village's liabilities.

The government-wide financial statements are divided into two categories, which are described as follows:

- **Governmental Activities** – Expenses incurred in connection with providing basic services including police protection and general governmental operations are reported as governmental activities. The governmental activities are financed by taxes, license fees, fines, court cost, interest, grants and contributions.
- **Business-Type Activities** – Expenses associated with providing sewer services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with sewer services are reported as business type activities.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Village's most significant activities and are not intended to provide information for the Village as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Village has two types of funds that are described as follows:

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Village's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.
- **Proprietary Fund** – These funds are used to account for activities that function in a manner similar to commercial enterprises, including activities associated with the Village's sewer services. Proprietary fund financial statements typically provide a more

Village of Natchez

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

detailed presentation of the information reported in the business-type activities portion of the government-wide financial statements.

FINANCIAL ANALYSIS OF THE VILLAGE

A comparative analysis of the government-wide data for the current and previous year is presented as follows:

Net Position

A condensed version of the government-wide Statement of Net Assets is presented as follows:

	<u>June 30, 2023</u>			<u>June 30,</u>
	<u>Governmental</u>	<u>Business-</u>	<u>Total</u>	<u>2022</u>
	<u>Activities</u>	<u>Type</u>		
		<u>Activities</u>		
<u>Assets:</u>				
Current and Other Assets	\$ 140,003	\$ 274,930	\$ 414,933	\$ 131,207
Capital Assets	41,664	1,620,121	1,661,785	1,210,889
Total Assets	<u>181,667</u>	<u>1,895,051</u>	<u>2,076,718</u>	<u>1,342,096</u>
<u>Liabilities:</u>				
Current and Other Liabilities	8,162	255,648	263,810	73,229
Deferred Revenues	142,352	----	142,352	----
Long-term Liabilities	----	----	----	----
Total Liabilities	<u>150,514</u>	<u>255,648</u>	<u>406,162</u>	<u>73,229</u>
<u>Net Position:</u>				
Invested in Capital Assets (Net)	41,664	1,620,121	1,661,785	1,210,889
Unrestricted	<u>(10,511)</u>	<u>19,282</u>	<u>8,771</u>	<u>57,978</u>
Total Net Position	<u>\$ 31,153</u>	<u>\$ 1,639,403</u>	<u>\$ 1,670,556</u>	<u>\$ 1,268,867</u>

As the presentation appearing above demonstrates, the largest portion of the Village's net position is invested in capital assets. Net position invested in capital assets consists of land, buildings, equipment, and sewer system improvements. The Village uses these capital assets to provide services to its residents; consequently, these amounts are not available for future spending.

Remaining resources are unrestricted, and available to be utilized by the Village to meet its ongoing obligations for the foreseeable future.

Changes in Net Position

A condensed version of the government-wide Statement of Changes in Net Assets is presented as follows:

Village of Natchez

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

	<u>For the Year Ended June 30, 2023</u>			<u>For the</u>
	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Year Ended June 30, 2022</u>
Revenues:				
Program Revenue:				
Charges for Services	\$ 37,633	\$ 55,163	\$ 92,796	\$ 82,071
Operating Grants and Contributions	12,172	----	12,172	137,840
Capital Grant and Contributions	----	482,320	482,320	----
General Revenue:				
Property Taxes	10,991	----	10,991	3,956
Sales Taxes	34,588	----	34,588	51,828
Franchise Taxes	26,230	----	26,230	29,358
Occupational Licenses	5,901	----	5,901	2,245
Other Revenues	409	59	468	8,655
Total Revenue	<u>127,924</u>	<u>537,542</u>	<u>665,466</u>	<u>315,953</u>
Program Expenses:				
General Government	120,041	----	120,041	141,531
Public Safety				
Police Department	6,343	----	6,343	2,705
Sewer	----	117,958	117,958	130,145
Total Expenses	<u>126,384</u>	<u>117,958</u>	<u>244,342</u>	<u>282,956</u>
Increase in Net Position Before Transfers	1,540	419,584	421,124	32,997
Transfers	(27,624)	27,624	----	----
Change in Net Position	<u>(26,084)</u>	<u>447,208</u>	<u>421,124</u>	<u>32,997</u>
Net Position Beginning	<u>117,274</u>	<u>1,151,593</u>	<u>1,268,867</u>	<u>1,235,870</u>
Prior Period Adjustment	(60,037)	40,602	(19,435)	----
Net Position – Beginning, as Restated	<u>57,237</u>	<u>1,192,195</u>	<u>1,249,432</u>	<u>----</u>
Net Position Ending	<u>\$ 31,153</u>	<u>\$ 1,639,403</u>	<u>\$ 1,670,556</u>	<u>\$ 1,268,867</u>

Governmental activities increased the Village's net position before transfers by \$1,540. This increase attributable to the continued increase of ticket revenues in the current year.

Business-type activities increased the Village's net position, before transfers, by \$419,584. This increase is attributable to the Village receiving funds for a sewer improvement project in the current year.

Village of Natchez

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

FINANCIAL ANALYSIS OF THE VILLAGE'S FUND

For the year ended June 30, 2023, activity in governmental funds was limited to the general fund. The only differences between amounts reported by the general fund and governmental activities reported in the government-wide financial statements are attributable to including fixed assets and long-term liabilities in the government-wide presentation.

Amounts reported for business-type activities in the Village's individual fund are identical to the business-type activities reported in the government-wide presentation.

BUDGET HIGHLIGHTS

The general fund is required to adopt a yearly budget. The Budget was amended to address actual experiences that deviated from expectations that existed when the original budget was adopted. Budget variances were not within limits set by State Law in the current year.

CAPITAL ASSET ADMINISTRATION

For the year ended June 30, 2023, capital asset activity includes continued work on the Sewer System Improvements project and depreciating existing capital assets.

DEBT ADMINISTRATION

For the year ended June 30, 2023, the Village did not have any debt issuances or activity.

FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

A significant percentage of the Village's revenue consisted of federal grants for the improvement of the Village's sewer system. During the fiscal year, regular operating revenues such as sewer fees, tickets fines, and taxes decreased compared to prior years. These conditions create some doubt that the Village will be able to meet its obligations as they become due in the foreseeable future. The Village's deteriorating financial condition could potentially discourage community investment, future economic development, or similar activities.

The Village's plan to alleviate this situation is based on plans to increase sewer rates, decrease expenditures through completion of a significant sewer project, and increase fines and forfeitures assessed to offenders. Management is confident that these plans will enable the Village to continue as a going concern for the foreseeable future.

VILLAGE OF NATCHEZ

STATEMENT OF NET POSITION

June 30, 2023

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 130,268	\$ 15,466	\$ 145,734
Receivables (net)	9,735	259,464	269,199
Land	1,600	9,196	10,796
Construction in Progress	-	529,877	529,877
Depreciable Capital Assets, Net	40,064	1,081,048	1,121,112
Total assets	181,667	1,895,051	2,076,718
<u>LIABILITIES</u>			
Accounts Payable	8,162	255,198	263,360
Meter Deposits	-	450	450
Deferred Revenue	142,352	-	142,352
Total liabilities	150,514	255,648	406,162
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	41,664	1,620,121	1,661,785
Unrestricted	(10,511)	19,282	8,771
Total net position (deficit)	\$ 31,153	\$ 1,639,403	\$ 1,670,556

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

VILLAGE OF NATCHEZ

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:							
General Government	\$ 120,041	\$ -	\$ 12,172	\$ -	\$ (107,869)	\$ -	\$ (107,869)
Public Safety							
Law Enforcement	6,343	37,633	-	-	31,290	-	31,290
Total Governmental Activities	126,384	37,633	12,172	-	(76,579)	-	(76,579)
Business-Type Activities:							
Sewer	117,958	55,163	-	482,320	-	419,525	419,525
Total Business-Type Activities	117,958	55,163	-	482,320	-	419,525	419,525
Total Primary Government	\$ 244,342	\$ 92,796	\$ 12,172	\$ 482,320	(76,579)	419,525	342,946
General Revenues:							
Taxes:							
Ad Valorem					10,991	-	10,991
Sales Tax					34,588	-	34,588
Franchise					26,230	-	26,230
Occupational Licenses					5,901	-	5,901
Other Revenues					409	59	468
Transfers					(27,624)	27,624	-
Total General Revenues and Transfers					50,495	27,683	78,178
Change in Net Position					(26,084)	447,208	421,124
Net Position - Beginning:					117,274	1,151,593	1,268,867
Prior Period Adjustment					(60,037)	40,602	(19,435)
Net Position - Beginning, as Restated					57,237	1,192,195	1,249,432
Net Position - Ending					\$ 31,153	\$ 1,639,403	\$ 1,670,556

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

VILLAGE OF NATCHEZ

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2023

Governmental Funds

Assets

Cash and Cash Equivalents	\$	130,268
Accounts Receivable		9,735
Total Assets	\$	140,003

Liabilities and Fund Balance

Liabilities

Accounts Payable	\$	8,162
Deferred Revenue		142,352
Total Liabilities		150,514

Fund Balance

Unassigned		(10,511)
Total Fund Balances		(10,511)

Total Liabilities and Fund Balance	\$	140,003
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Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Total Fund Balances - Governmental Funds	\$	(10,511)
--	----	----------

Amounts reported for governmental activities in the statement of net position are different because:

Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet		-
--	--	---

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		41,664
---	--	--------

Net Position of Governmental Activities	\$	31,153
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The accompanying notes are an integral part of the financial statements.

VILLAGE OF NATCHEZ

Statement of Revenue, Expenditures and Changes in Fund Balance Governmental Funds Year Ended June 30, 2023

	<u>Governmental Funds</u>
<u>Revenues:</u>	
Taxes:	
Ad Valorem	\$ 10,991
Sales Tax	34,588
Franchise	26,230
Fines and Court Cost	37,633
Occupational Licenses	5,901
Intergovernmental	-
Grants and Contributions	12,172
Other Revenues	409
Total Revenues	127,924
<u>Expenditures:</u>	
Current	
General Government	114,175
Public Safety	
Law Enforcement	6,343
Capital Outlay	10,382
Debt Service	-
Total Expenditures	130,900
Excess (Deficiency) of Revenues Over Expenditures	(2,976)
Other Financing Sources (Uses)	
Debt Proceeds	-
Operating Transfers In (Out)	(27,624)
Total Other Financing Sources (Uses)	(27,624)
Excess (Deficiency) of Revenues and Other Resources Over Expenditures and Other Uses	(30,600)
Fund Balance - Beginning of Year	80,126
Prior Period Adjustment	(60,037)
Fund Balance - Beginning of Year, as Restated	20,089
Fund Balance - End of Year	\$ (10,511)

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Net change in fund balances of Governmental Funds	\$	(30,600)
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 estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period		4,516
Repayment of capital lease obligations are an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		-
Change in net assets of governmental activities	\$	(26,084)

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

VILLAGE OF NATCHEZ

Statement of Net Position

Proprietary Funds

June 30, 2023

	<u>Business-Type Activities</u>
	<u>Enterprise Funds</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 15,466
Receivables (Net)	259,464
Total Current Assets	<u>274,930</u>
Noncurrent Assets:	
Capital Assets:	
Land	9,196
Construction in Progress	529,877
Depreciable Capital Assets, Net	1,081,048
Total Noncurrent Assets	<u>1,620,121</u>
Total Assets	<u>1,895,051</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	255,198
Meter Deposits	450
Total Current Liabilities	<u>255,648</u>
Total Liabilities	<u>255,648</u>
<u>NET POSITION:</u>	
Invested in Capital Assets, Net of Related Debt	1,620,121
Unrestricted	19,282
Total Net Position (Deficit)	<u>\$ 1,639,403</u>

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

VILLAGE OF NATCHEZ

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds Year Ended June 30, 2023

	<u>Business-Type Activities</u> <u>Enterprise Funds</u>
<u>Operating Revenues:</u>	
Charges For Services	\$ 54,303
Miscellaneous Income	860
Total Operating Revenues	<u>55,163</u>
<u>Operating Expenses:</u>	
Office Operations	1,499
Professional fees	8,858
Repairs and Maintenance	7,167
Utilities	15,297
Supplies	1,007
Bad Debt Expense	18,548
Depreciation	56,336
Miscellaneous	9,246
Total Operating Expenses	<u>117,958</u>
Operating Income (Loss)	(62,795)
<u>Transfers and Contributions:</u>	
Interest Income (Expense)	59
Other Sources - Grant Proceeds	482,320
Other Sources (Uses) - Operating Transfers In (Out)	27,624
Change in Net Position	<u>447,208</u>
Total Net Position - Beginning	1,151,593
Prior Period Adjustment	40,602
Total Net Position - Beginning, as Restated	<u>1,192,195</u>
Total Net Position - Ending	<u>\$ 1,639,403</u>

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

VILLAGE OF NATCHEZ

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2023

	Business-Type Activities
	<u>Enterprise Funds</u>
<u>Cash Flow From Operating Activities:</u>	
Cash Received From Customers	\$ (201,301)
Cash Payments to Suppliers of Goods and Services	<u>178,134</u>
Net Cash Provided (Used) by Operating Activities	<u>(23,167)</u>
<u>Cash Flows From Non-Capital Financing Activities:</u>	
Operating Transfers	<u>27,624</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>27,624</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>	
Capital Grants	482,320
Capital Expenditures	<u>(482,320)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>
<u>Cash Flows From Investing Activities:</u>	
Interest Income	<u>59</u>
Net Cash Provided (Used) by Investing Activities	<u>59</u>
Net Increase (Decrease) in Cash	4,516
Beginning Cash Balance	<u>10,950</u>
Ending Cash Balance	<u>\$ 15,466</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
Operating Income (Loss)	\$ (62,796)
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation	56,336
(Increase) Decrease in Accounts Receivable	(243,765)
(Decrease) Increase in Accounts Payable	227,058
(Decrease) Increase in Unearned Revenue	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (23,167)</u>

Supplemental disclosures of cash flow information:

For the year ended June 30, 2023, there were no operating, financing, or investing activities that did not result in cash receipts or payments.

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

Village of Natchez

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Natchez was incorporated under the provisions of the Lawrason Act. The Village is governed by a Mayor and a Board of Aldermen consisting of three (3) members. Services provided by the Village include police protection and general administrative functions. The Village also operates a sewer system.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

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

Governmental Accounting Standards Board establishes criteria for determining which component units should be considered part of the Village of Natchez for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Village 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 Village.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the Village's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon application of these criteria, there were no potential component units and all of the Village's activities were included in the primary government reporting entity.

Village of Natchez

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises.

The government-wide and fund financial statements present the Village's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with governmental service or business-type activity. Program revenues include any charges for services, fines, court cost, contributions associated with a particular function and most grants.

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and proprietary funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The Village's major funds are described as follows:

- Governmental Funds – The general fund is the Village's only active major governmental fund. The general fund is the primary operating fund and is used to account for all governmental activities except those required to be reported in another fund.
- Proprietary Funds – Are used to account for business type activities. The operations of the Village's Sewer System utilize a proprietary fund. Revenue earned in exchange for providing services is reported as operating income and revenue from other sources is reported as non-operating. Since proprietary funds operate in a manner similar to business enterprises, these funds follow certain pronouncements that are developed by the Financial Accounting Standards Board

Village of Natchez

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

(FASB) for business enterprises. However, the Village only applies those FASB pronouncements that were issued on or before November 30, 1989.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as another financing source and repayment of long-term debt is reported as an expenditure.

Non-Exchange Transactions

Revenue from certain non-exchange transactions cannot be properly measured prior to collection. Furthermore, it is not practical to determine the probability of collection resulting from certain non-exchange transactions such as traffic citations. Consequently, revenue from franchise taxes, fines and court cost is not recognized until it is collected.

Use of Estimates

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

Budget Practices

The Mayor prepares annual budgets for the Village's general fund. The budget is submitted to the Board of Aldermen and the approved budget is adopted before the beginning of each fiscal year. Amended budgets are prepared prior to the conclusion of each fiscal year. The amended budgets are prepared and approved in the same manner as the original budget.

Village of Natchez

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

The general fund budget presents revenue and expenditures on a basis which is consistent with generally accepted accounting principles. No annual budget is required for the Village's Sewer Fund.

Capital Assets

Capital assets include significant acquisitions of equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are reported at historical cost less accumulated depreciation. Depreciation is computed using the straight-line method and estimated useful lives that are based on the expected durability of the particular asset. Useful lives typically range from five to forty years.

Cash and Cash Equivalents

Amounts reported as cash and cash equivalents include all cash on hand, cash in bank accounts, certificates of deposit, and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law.

Internal Balances:

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded.

In preparing the government-wide financial statements, transfers are eliminated to present net transfers for governmental activities and business-type activities. In addition, interfund receivables and payables are eliminated to present a net internal balance for each type of activity.

NOTE 2-CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximates market value. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2023, the Village had \$145,734 in deposits (\$150,228 collected bank balance). These deposits are secured from risk entirely by federal deposit insurance.

Village of Natchez

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 3 - TAXES

Ad Valorem Taxes

The Village bills and collects its own property taxes using the assessed property values determined by the Parish Tax Assessor. Property taxes are limited to an assessment for general alimony as permitted by State Law. Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. For the year ended June 30, 2023, the Village levied 3.74 mills. Revenues from ad valorem taxes are recognized as revenue in the year billed.

Sales Taxes

Sales and use taxes are collected on behalf of the Village by the Natchitoches Parish Tax Commission and remitted the month subsequent to collection. Revenues from sales taxes are reported on the accrual basis. For the year ended June 30, 2023, the Village sales tax rate is one percent. The sales tax rate has no expiration date.

NOTE 4 - RECEIVABLES

Receivables at June 30, 2023, are summarized as follows:

	<u>Governmental Activities</u>	<u>Business- Type</u>	<u>Total</u>
<u>Accounts Receivable</u>			
Charges for Services	\$ ----	\$ 46,767	\$ 46,767
Allowance	----	(42,500)	(42,500)
<u>Due From Other Governmental Units</u>			
Sales Tax	7,005	----	7,005
Franchise Tax	2,134	----	2,134
Grants	---	255,197	255,197
Total Receivables	<u>\$ 9,735</u>	<u>\$ 259,464</u>	<u>\$ 269,199</u>

NOTE 5 – CAPITAL ASSETS

A summary of the Village's capital assets is provided as follows:

	<u>Non-Depreciable Capital Assets</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Construction in Progress	\$ ----	\$ ----	\$ ----	\$ ----
Land	1,600	----	----	1,600
Total Governmental Activities	<u>1,600</u>	<u>----</u>	<u>----</u>	<u>1,600</u>

Village of Natchez

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

<u>Business-Type Activities</u>				
Construction in Progress	27,162	502,715	----	529,877
Land	9,196	----	----	9,196
Total Business-Type Activities	<u>36,358</u>	<u>502,715</u>	<u>----</u>	<u>539,073</u>
Total	<u>\$ 37,958</u>	<u>\$ 502,715</u>	<u>\$ ----</u>	<u>\$ 540,673</u>
Depreciable Capital Assets				
	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental Activities</u>				
Equipment	\$ 80,287	\$ ----	\$ ----	\$ 80,287
Building	29,145	10,382	----	39,527
Furniture & Fixtures	----	----	----	----
Accumulated Depreciation	(73,884)	(5,866)	----	(79,750)
Total Governmental Activities	<u>35,548</u>	<u>(4,516)</u>	<u>----</u>	<u>40,064</u>
<u>Business-Type Activities</u>				
Sewer System	2,376,036	----	----	2,376,036
Equipment	52,647	----	----	52,647
Buildings & Improvements	68,626	----	----	68,626
Accumulated Depreciation	(1,359,925)	(56,336)	----	(1,416,261)
Total Business-Type Activities	<u>1,137,384</u>	<u>(56,336)</u>	<u>----</u>	<u>1,081,048</u>
Total	<u>\$ 1,172,932</u>	<u>\$ (60,852)</u>	<u>\$ ---</u>	<u>\$ 1,121,112</u>

NOTE 6 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2023 consists of the following:

	Governmental Activities	Business-Type	Total
Payable to Vendors	\$ 1,597	\$ 212,046	\$ 213,643
DOJ Payable	6,565	----	6,565
Retainage Payable	---	43,152	43,152
Meter Deposits	---	450	450
Total Accounts Payable	<u>\$ 8,162</u>	<u>\$ 255,648</u>	<u>\$ 263,810</u>

NOTE 7 – DEFERRED REVENUE

During the years ended June 30, 2022, and June 30, 2023, funding was received from the American Rescue Plan Act (ARPA) in the amount of \$142,352. Management does not consider these amounts to be earned until expenditures meeting certain requirements have been completed. Plans are being finalized to spend and report the funds in a manner consistent with the terms of the ARPA program. Upon completion of requirements, the revenue will be recognized.

Village of Natchez

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 8 – INTERFUND TRANSFERS

In the ordinary course of business, the Village routinely transfers resources between its funds to utilize resources where needed. These amounts are reported in the financial statements as operating transfers.

NOTE 9 - RISK AND CONTINGENCIES

The Village is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; and natural disasters.

The Village insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage.

The Village receives state and federal assistance through various grant programs. Management is confident that all significant grant conditions have been met; however grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

NOTE 10 – EMPHASIS-OF-MATTER

A significant percentage of the Village's revenue consisted of federal grants for the improvement of the Village's sewer system. During the fiscal year, regular operating revenues such as sewer fees, tickets fines, and taxes decreased compared to prior years. These conditions create some doubt that the Village will be able to meet its obligations as they become due in the foreseeable future. The Village's deteriorating financial condition could potentially discourage community investment, future economic development, or similar activities.

The Village's plan to alleviate this situation is based on plans to increase sewer rates, decrease expenditures through completion of a significant sewer project, and increase fines and forfeitures assessed to offenders. Management is confident that these plans will enable the Village to continue as a going concern for the foreseeable future.

NOTE 11- PRIOR PERIOD ADJUSTMENTS

The Village of Natchez's government wide financial statements originally presented Accounts Payable as \$24,432. The Village determined that in the current year that several expenditures meeting the requirement for accrual had erroneously been included in that amounts. The balance should have been \$13,293. Amounts in the fund financial statements were identical to amounts presented in the government wide statements.

Additionally, in the previous year the Village of Natchez received funding from the American Rescue Plan Act. This act, in conjunction with reporting requirements dictated by the State of Louisiana, requires recipients of these funds to comply with various reporting requirements in order to earn this revenue. In the previous year, and as of June 30, 2023, these requirements had not been

Village of Natchez

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

met. Accordingly, this revenue was not earned but should have been reported as deferred revenue. As a result, Net Position in the Government Wide Financials was overstated by \$71,176, and liabilities were understated by \$71,176.

The following table demonstrates these Prior Period Adjustments:

	As Originally Reported	Prior Period Adjustment	As Restated
Change in Net Position	94,333	(60,037)	34,296
Net Position Beginning	<u>22,941</u>	----	<u>22,941</u>
Net Position Ending	<u>117,274</u>	<u>(60,037)</u>	<u>57,237</u>

The effect of this error on the prior general fund financial statements is presented below:

	As Originally Reported	Prior Period Adjustment	As Restated
Change in Fund Balance	76,154	(60,037)	16,117
Fund Balance Beginning	<u>3,972</u>	----	<u>3,972</u>
Fund Balance Ending	<u>80,126</u>	<u>(60,037)</u>	<u>20,089</u>

The Village of Natchez began a sewer project in the previous year. Capital expenditures associated with the project in the amount of \$20,395 were not properly capitalized. As a result, Net Position was understated by \$20,395, as well as Construction in Progress.

In the previous year, the Village of Natchez Business-Type funds overstated Accounts Payable by \$20,207. As a result, this also understated Net Position by \$20,207.

The following table demonstrates the effects of these Prior Period Adjustments:

	As Originally Reported	Prior Period Adjustment	As Restated
Change in Net Position	(61,336)	40,602	(20,734)
Net Position Beginning	<u>1,212,929</u>	----	<u>1,212,929</u>
Net Position Ending	<u>1,153,593</u>	<u>40,602</u>	<u>1,192,195</u>

VILLAGE OF NATCHEZ

Statement of Revenue, Expenditures and Changes in Fund Balance - General Fund Budget and Actual Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes:				
Ad Valorem	\$ 4,000	\$ 4,000	\$ 10,991	\$ 6,991
Sales Tax	30,000	30,000	34,588	4,588
Franchise	35,000	35,000	26,230	(8,770)
Fines and Court Cost	75,000	75,000	37,633	(37,367)
Occupational License	2,000	2,000	5,901	3,901
Miscellaneous	3,200	3,200	409	(2,791)
State Grants	12,000	12,000	12,172	172
Total revenues	161,200	161,200	127,924	(33,276)
<u>Expenditures:</u>				
Current				
General Government	113,430	113,430	114,175	(745)
Public Safety				
Law Enforcement	6,500	6,500	6,343	157
Capital Outlay	83,000	83,000	10,382	72,618
Debt Service	-	-	-	-
Total Expenditures	202,930	202,930	130,900	72,030
Excess (Deficiency) of Revenues over Expenditures	(41,730)	(41,730)	(2,976)	38,754
Other Sources (Uses)				
Operating Transfers In (Out)	41,730	41,730	(27,624)	(69,354)
Proceeds from Debt	-	-	-	-
Total Other Sources (Uses)	41,730	41,730	(27,624)	(69,354)
Excess (Deficiency) of Revenues and Other Resources Over Expenditures and Other Uses	-	-	(30,600)	(30,600)
Fund Balance - Beginning of Year	81,026	81,026	80,126	(900)
Prior Period Adjustment	-	-	(60,037)	-
Fund Balance - Beginning of Year, as Restated	20,089	20,089	20,089	-
Fund Balance - End of Year	\$ 81,026	\$ 81,026	\$ (10,511)	\$ (31,500)

VILLAGE OF NATCHEZ

Schedule of Per Diem Paid to Board Members For the Year ended June 30, 2023

Patsy Ward Hoover, Mayor	5,175
Monique Sarpy, Alderman	2,300
Shelia Johnson, Alderman	2,425
McKindley Hoover, Alderman	2,425

VILLAGE OF NATCHEZ

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer For the Year ended June 30, 2023

Agency Head (Mayor) - Patsy Ward Hoover

Compensation	\$	5,175
Benefits		-
Reimbursements		226

VILLAGE OF NATCHEZ

**Justice System Funding Schedule - Collecting / Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session -
Cash Basis Presentation
For the Year Ended June 30, 2023**

	First Six Month Period Ended December 31, 2022	Second Six Month Period Ended June 30, 2023
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Criminal/Costs/Fees	37,633	-
Subtotal Collections	<u>37,633</u>	<u>-</u>
Less: Disbursements to Governments & Nonprofits		
Department of Health & Hospital	-	-
CMIS Collections	-	-
Juvenile Detention Center	-	-
Louisiana Commission On Law Enforcement	-	-
Louisiana Supreme Court	-	-
North Louisiana Crime Laboratory	-	-
Less: Amounts Retained by the Village of Natchez		
Criminal Court Costs / Fees	37,633	-
Subtotal Disbursements / Retainage	<u>37,633</u>	<u>-</u>
Ending Balance of Amounts Collected but not Disbursed	\$ -	\$ -



October 30, 2024

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

To the Mayor and Board of Aldermen
Village of Natchez, 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, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Natchez's basic financial statements, and have issued our report thereon dated October 30, 2024.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Village of Natchez'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 Natchez's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Natchez'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item **Finding 2023-006** that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Village of Natchez'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 seven instances of noncompliance that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003, 2023-004, 2023-005, 2023-007, and 2023-008.



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Alexandria, Louisiana 71303
Online: CenlaCPAs.com

Village of Natchez

October 30, 2024

THE VILLAGE OF NATCHEZ'S RESPONSE TO FINDINGS

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Natchez's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Village of Natchez's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana

PART I - SUMMARY OF AUDITOR'S RESULTS:

- The Independent Auditors' Report on the financial statements of the Village of Natchez as of June 30, 2023 and for the year then ended expressed an unmodified opinion.
- No control deficiencies were disclosed during the audit of the financial statements.
- The results of the audit did disclose seven instances (2023-001, 2023-002, 2023-003, 2023-004, 2023-005, 2023-007, and 2023-008) of noncompliance that are considered to be material to the financial statements of the Village of Natchez.
- One material weakness in internal control over financial reporting was reported in connection with the audit (2023-006).

PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

Finding 2023-001 – Inadequate Controls Over Recordkeeping

- *Criteria:* Louisiana Revised Statutes require municipalities to retain all public records and requires persons and public bodies having control or custody of any public record to exercise diligence and care in preserving the public record for the period of time specified for such record by the State Archivist.
- *Condition:* The Village was unable to provide invoices for transactions to the Town Auditor upon request, as they were unable to be located.
- *Cause:* The employees responsible for retaining certain files did not follow Louisiana Revised Statutes, and the Town did not retain custody of some files required to be retained by the Town.
- *Effect:* The Town was not in compliance with Louisiana Revised Statutes related to record retention, requiring the audit team to perform alternative procedures.
- *Recommendation:* We recommend that the Town retain all records in accordance with the Town's retention schedule, and in accordance with Louisiana Law.

Finding 2023-002 – Payroll Processing and Reporting

- *Criteria:* Federal Law defines whether an individual is an employee or contractor through a combination of factors set by statute. Once an individual is determined to be an employee, federal law also requires employment taxes and certain payroll tax reporting forms to be filed on a regular basis by an entity that pays individuals defined as employees. In addition, worker's compensation insurance is a mandatory insurance that protects both employees and employers if an injury or accident occurs while an employee is working for an employer and protects the employer from legal exposure.
- *Conditions:* In the current year, the Village classified several employees as contractors, in violation of applicable employment laws. In addition to not paying required payroll taxes, the Village did not carry worker's compensation insurance on the individuals who should have been classified as employees.
- *Cause:* The Village's administration was not aware of the requirements to classify certain individuals as employees and relied upon advice provided by a paid professional that was in error.
- *Effect:* The Village was not in compliance with various employment laws set by federal and state statute and incurred an unacceptable level of risk by not carrying worker's compensation insurance.
- *Recommendation:* We recommend that the Village classify employees properly and carry all necessary forms of insurance to make sure the Village does not carry unnecessary legal exposure.

Finding 2023-003 – Collections on Behalf of Other Entities

- *Criteria:* The Village is required to remit certain fines, fees, and court costs to various entities monthly based on ticket collections.

- *Condition:* The Village is not properly remitting these amounts
- *Cause:* Village's management was unaware of amounts that should be remitted.
- *Effect:* The Village may be in violation of Revised Statutes by not remitting these amounts.
- *Recommendation:* We recommend the Village's management receive training to determine which amounts to remit to the State.

Finding 2023-004 – Minutes of Public Meetings

- *Criteria:* Louisiana Revised Statutes require public bodies to keep written minutes of the proceeding of all open meetings.
- *Condition:* The Village was unable to provide copies of public meeting minutes for 4 months out of the year.
- *Cause:* The employees responsible for retaining certain files did not follow Louisiana Revised Statutes, and the Town did not retain custody of some files required to be retained by the Town.
- *Effect:* The Village may be in violation of Revised Statutes by not retaining minutes for all open meetings.
- *Recommendation:* We recommend that the Village retain minutes of all public meetings as required by Louisiana Revised Statutes.

Finding 2023-005 – Late Submission of Report

- *Criteria:* Louisiana state law requires that the Village have an annual audit performed and submitted to the Legislative Auditor within six months after the close of the fiscal year.
- *Condition:* For the year ended June 30, 2023, the Village did not submit the annual audit within six months after the close of their fiscal year.
- *Cause:* The Village was not ready for auditors to begin work, as accounting records of the Village were not maintained, prepared or available timely.
- *Effect:* The Village is not in compliance with state law.
- *Recommendation:* The Village should ensure that financials are prepared and sufficient documentation is retained for a timely audit to be performed.

Finding 2023-006 – Inadequate Segregation of Accounting Functions

- *Criteria:* Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable law and regulations.
- *Condition:* The Village did not have adequate segregation of functions within the accounting system.
- *Cause:* The Village does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.
- *Effect:* Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcation may occur and not be prevented and/or detected.
- *Recommendation:* The Village should ensure that duties are spread amongst town employees to enforce effective internal control procedures.

Finding 2023-007 – Accounting for Meter Deposits

- *Criteria:* The Village should maintain adequate records to reconcile the underlying meter deposit liability to the individual account balances.
- *Condition:* The Village did not maintain sufficient records to be able to reconcile the underlying meter deposit liability to the individual account balances.
- *Effect:* As this account is custodial in nature, the Village should be able to identify the individuals owed in order to properly apply the meter deposit to any outstanding amounts.
- *Cause:* The meter deposit balances have not been properly reconciled to the underlying accounting records.
- *Recommendation:* We recommend that the clerk periodically review the list of meter deposits outstanding and reconcile the list to the Towns accounting records.

Finding 2023-008 – Budget Variances

- *Criteria:* Louisiana Revised Statutes prohibit unfavorable budget variance that exceed 5% of the overall budget for revenue or expenditures.
- *Condition:* Villages revenues did not reach budgeted revenue amounts.
- *Effect:* The Village was not in compliance with the Louisiana Government Budget Act.
- *Cause:* The Village did not make sufficient amendments to the budget once the Village realized that unfavorable variances exceeded 5% of budgeted amounts.
- *Recommendation:* The Village should implement policies and procedures to ensure that the budget is amended whenever variances exceed amounts allowed by the Louisiana Government Budget Act.

Village of Natchez

Management's Corrective Action Plan For the Year Ended June 30, 2023

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<p><u>2023-001: Inadequate Controls Over Recordkeeping</u> The Village was unable to provide certain public records relating to minutes of public meetings and invoices for transactions to the Town Auditor upon request, as they were unable to be located. This situation resulted in the performance of alternative procedures locating records.</p> <p><u>2023-002: Payroll Processing and Reporting</u> In the current year, the Village classified several employees as contractors, in violation of applicable employment laws. In addition to not paying required payroll taxes, the Village did not carry worker's compensation insurance on the individuals who should have been classified as employees.</p> <p><u>2023-003: Collections on Behalf of Other Entities</u> The Village did not properly remit fees, fines, and court costs collected on behalf of other entities to the required entities.</p> <p><u>2023-004: Minutes of Public Meetings</u> The Village was unable to provide copies of public meeting minutes for 4 months out of the year. The Village may be in violation of Revised Statutes by not retaining minutes for all open meetings.</p> <p><u>2023-005: Late Submission of Report</u> For the year ended June 30, 2023, the Village did not submit the annual audit within six months after the close of their fiscal year.</p> <p><u>2023-006: Segregation of Duties</u> The Village lacks a proper internal control of segregation of duties.</p> <p><u>2023-007: Accounting for Meter Deposits</u> The Village did not maintain sufficient records to be able to reconcile the underlying meter deposit liability to the individual account balances. As this account is custodial in nature, the Village should be able to identify the individuals owed in order to properly apply the meter deposit to any outstanding amounts.</p> <p><u>2023-008: Local Government Budget Act</u> For the year ended June 30, 2023, the Village failed to amend the budget when the actual revenues failed to meet budgeted revenues.</p>	<p><u>2023-001: Response</u> We will retain all records in accordance with the Town's retention schedule and in accordance with Louisiana Law.</p> <p><u>2023-002: Response</u> We have hired a bookkeeping firm to perform payroll services for the Village.</p> <p><u>2023-003: Response</u> We will ensure that in the future, all amounts collected on behalf of other entities are submitted as required.</p> <p><u>2023-004: Response</u> We will retain minutes of all public meetings in accordance with Louisiana Revised Statutes.</p> <p><u>2023-005: Response</u> We will make sure all financials and documentation are in order in a proper time for audit procedures to be performed in a timely manner.</p> <p><u>2023-006: Response</u> Due to our small staff size, it is not feasible to be able to separate duties.</p> <p><u>2023-007: Response</u> Our Clerk will start reconciling meter deposit liability with the underlying individual account balances.</p> <p><u>2023-008: Response</u> We will closely monitor our revenue and expenditures in the future and amend the budget as necessary.</p>

Village of Natchez

Management's Corrective Action Plan

For the Year Ended June 30, 2023

SECTION II MANAGEMENT LETTER	
No Findings of this nature.	Response – N/A

Village of Natchez
Schedule of Prior Year Findings
For the Year Ended June 30, 2023

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<p><u>2022-001: Local Government Budget Act</u> For the year ended June 30, 2022, the Village failed to amend the budget when the actual expenditures exceeded budgeted expenditures by more than 5% as allowed.</p>	<p><u>Unresolved: See Finding 2023-008</u></p>
SECTION II MANAGEMENT LETTER	
<p>No management letter was issued.</p>	<p>Response – N/A</p>

APPENDIX A
Statewide Agreed-Upon Procedures



Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Village of Natchez and
the Louisiana Legislative Auditor:

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

The entity 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 described above. 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.

We were engaged 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 entity 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.

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana
October 30, 2024



Rozier, McKay & Willis
Certified Public Accountants
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Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Written Policies and Procedures		
Agreed-Upon Procedure	Results	Managements' Response
<p>1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories.</p> <ul style="list-style-type: none"> • Budgeting • Purchasing • Disbursements • Receipts • Payroll/Personnel • Contracting • Credit Cards • Travel and expense reimbursements • Ethics • Debt Service • Disaster Recovery / Business Continuity • Sexual Harassment 	<p>The Village does not have any written procedures regarding the following functions:</p> <ul style="list-style-type: none"> • Budgeting • Purchasing • Disbursements • Receipts • Payroll/Personnel • Contracting • Credit Cards • Travel & Expense reimbursement • Ethics • Debt Service • Disaster Recover/Bus. Continuity • Sexual Harassment 	<p><i>Due to the Village's size and limited staff, job duties are clearly understood despite the absence of written details. We will consider whether adopting formal written procedures would be beneficial.</i></p>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>2 Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:</p> <p>a) 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.</p> <p>b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. <i>Alternately, for those entities reporting on the non-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.</i></p> <p>c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal</p>	<p>Management represented that the Board met monthly, although meeting minutes for December, February, March, and April could not be provided.</p> <p>Minutes did not include references to budget to actual comparisons or similar financial information.</p> <p>In the previous year, the general fund reported a positive unrestricted fund balance.</p>	<p><i>We will ensure we prepare and retain minutes for each monthly meeting in the future.</i></p> <p><i>We will make sure to include required financial information during monthly meetings in the future.</i></p> <p><i>No findings or criticisms were reported.</i></p>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.</p> <p>d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.</p>	<p>There were no evidence of discussion on resolution of the Village's previous audit findings.</p>	<p><i>We will begin to provide written updates on the progress of audit findings to the council at monthly meetings.</i></p>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Bank Reconciliations		
Agreed-Upon Procedure	Results	Managements' Response
<p>3 Obtain a listing of client 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 selected each account, and observe that:</p> <p>a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);</p> <p>b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and</p> <p>c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.</p>	<p>Bank Reconciliations did not include evidence that they were prepared within two months of the related statement closing date.</p> <p>During the current year, the reconciliation function was performed by a third-party accounting firm. However, work products were reviewed by the Mayor, who did not have any additional office personnel for a portion of the year.</p> <p>No items were outstanding for more than 12 months.</p>	<p><i>While staff turnover was a challenge in the previous year, we will insure that in the future, reconciliations are performed within two months of the related statement closing date.</i></p> <p><i>We will examine our procedures, and make sure we have appropriate segregation of duties given the size of our staff.</i></p> <p><i>No findings or criticisms were reported.</i></p>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
<p>4 Obtain a listing of <u>deposit sites</u> 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).</p>	<p>The list was provided and deposits were selected.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>5 For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:</p> <p>a) Employees that are responsible for cash collections do not share cash drawers/registers.</p>	<p>There is no cash register or drawer at the Municipal Complex because currency is not accepted.</p>	<p><i>No findings or criticisms were reported.</i></p>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
<p>b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.</p>	<p>During the current year, the reconciliation function was performed by a third-party accounting firm. However, work products were reviewed by the Mayor, who did not have any additional office personnel for a portion of the year.</p>	<p><i>We will examine our procedures, and make sure we have appropriate segregation of duties given the size of our staff.</i></p>
<p>c) Each employee responsible for collecting cash is not 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.</p>	<p>Employees responsible for collecting checks were also responsible for reviewing reconciliations.</p>	<p><i>We will examine our procedures, and make sure we have appropriate segregation of duties given the size of our staff.</i></p>
<p>d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.</p>	<p>Employees responsible for collecting cash were also responsible for reviewing reconciliations</p>	<p><i>We will examine our procedures, and make sure we have appropriate segregation of duties given the size of our staff.</i></p>
<p>6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.</p>	<p>Insurance coverage was maintained.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>7 Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as</p>		

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
<p>a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:</p> <p>a. Observe that receipts are sequentially pre-numbered.</p> <p>b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.</p> <p>c. Trace the deposit slip total to the actual deposit per the bank statement.</p> <p>d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).</p> <p>e. Trace the actual deposit per the bank statement to the general ledger.</p>	<p>Receipts were issued when required by policy.</p> <p>Collection documentation agreed to the deposit slip.</p> <p>Deposits on the bank statement agreed with the deposit slip or remote-capture details for direct deposit.</p> <p>Deposits were remitted within a single business day.</p> <p>Deposits appearing on the bank statement agree with the general ledger.</p>	<p><i>No findings or criticisms were reported.</i></p>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
8 Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).	All transactions are processed at the Village's Municipal Complex.	<i>No findings or criticisms were reported.</i>
9 For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:		
a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.	At least two employees are involved.	<i>No findings or criticisms were reported.</i>
b) At least two employees are involved in processing and approving payments to vendors.	At least two employees are involved.	<i>No findings or criticisms were reported.</i>
c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.	Employees responsible for processing payments are not prohibited from adding or modifying vendor files.	<i>We will examine our procedures, and make sure we have appropriate segregation of duties given the size of our staff.</i>
d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail	Same employee signs checks, and mail payments.	<i>Due to the limited size of staff, it is not practical to limit mailing duties.</i>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
<p>who is not responsible for processing payments.</p> <p>10 For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:</p> <p>a. Observe that the disbursement matched the related original invoice/billing statement.</p> <p>b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.</p> <p>11 Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main</p>	<p>Disbursements selected were supported by documentation.</p> <p>Evidence of segregation of duties was present.</p> <p>The limited number of electronic disbursements were approved only by those persons authorized to disburse funds, and approved by all authorized signers.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.		

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
<p>12 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.</p>	<p>The Village utilizes a travel credit card. Management could only provide statements for October and November.</p>	<p><i>We will retain all credit card statements in the future.</i></p>
<p>13 Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:</p> <p>a. Observe that 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) was reviewed and approved, in writing, by someone other than the authorized card holder.</p> <p>b. Observe that finance charges and late fees were not assessed on the selected statements.</p>	<p>The Village, on occasion, utilizes a travel credit card. Management could only provide statements for October and November. No evidence of review or approval documented.</p> <p>No finance charges or late fees were assessed.</p>	<p><i>We will insure that in the future, we retain all credit card statements, retain all supporting documentation, and document approval of transactions.</i></p> <p><i>No findings or criticisms were reported.</i></p>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
14 Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). 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).	Receipts could not be provided for all transactions. In addition, business purposes were not noted for some transactions	<i>We will insure that in the future, we retain all credit card statements, retain all supporting documentation, and document approval of transactions.</i>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
<p>15 Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:</p> <p>a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).</p> <p>b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).</p> <p>d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>No documentation was made available for the selected reimbursements.</p> <p>No documentation was available for the selected reimbursements.</p> <p>No documentation was available for the selected reimbursements.</p> <p>No documentation was available for the selected reimbursements.</p>	<p><i>We will have proper documentation for all disbursements going forward.</i></p> <p><i>We will have proper documentation for all disbursements going forward.</i></p> <p><i>We will have proper documentation for all disbursements going forward.</i></p> <p><i>We will have proper documentation for all disbursements going forward.</i></p>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Contracts		
Agreed-Upon Procedure	Results	Managements' Response
<p>16 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. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:</p> <p>a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.</p> <p>b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).</p> <p>c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.</p> <p>d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.</p>	<p>Management provided a list of contracts, and represented to its completeness.</p> <p>Contracts subject to the Public Bid Law were properly bid.</p> <p>Documentation was sufficient.</p> <p>No contracts were amended in the current year.</p> <p>Payments agreed to contract terms,</p>	<p><i>No findings or criticisms were reported.</i></p>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
<p>17 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.</p>	<p>RMW obtained a listing from management.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>18 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:</p> <p>a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).</p> <p>b. Observe that supervisors approved the attendance and leave of the selected employees/officials.</p>	<p>Attendance, leave, and supervision were not properly documented in the current year.</p> <p>Attendance, leave, and supervision were not properly documented in the current year.</p>	<p><i>We will make sure payroll for those considered an employee/official of the Village is properly processed and reported going forward, including properly documenting leave and attendance.</i></p> <p><i>We will make sure payroll for those considered an employee/official of the Village is properly processed and reported going forward, including properly documenting leave and attendance.</i></p>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
<p>c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p>	<p>Attendance, leave, and supervision were not properly documented in the current year.</p>	<p><i>We will make sure payroll for those considered an employee/official of the Village is properly processed and reported going forward, including properly documenting leave and attendance.</i></p>
<p>19 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.</p>	<p>Testing could not be performed in the current year, due to constraints with how management reported payroll.</p>	<p><i>We will make sure payroll for those considered an employee/official of the Village is properly processed and reported going forward, including properly documenting leave and attendance.</i></p>
<p>20 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.</p>	<p>Management represented that payroll taxes were not filed as required.</p>	<p><i>We will make sure payroll for those considered an employee/official of the Village is properly processed and reported going forward</i></p>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Ethics		
Agreed-Upon Procedure	Results	Managements' Response
<p>21 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:</p> <p>a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.</p> <p>b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.</p>	<p>No documentation was available.</p> <p>No documentation was available.</p>	<p><i>We will review files to ensure that all employees complete the ethics training during the fiscal year.</i></p> <p><i>We will review files to ensure that all employees complete the ethics training during the fiscal year.</i></p>
<p>22 Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.</p>	<p>Although no ethics policies are available, the Clerk/Mayor serve as ethics designees.</p>	<p><i>No findings or criticisms were reported.</i></p>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Debt Service		
Agreed-Upon Procedure	Results	Managements' Response
23 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	The Village does not have any bond or notes payable.	<i>No findings or criticisms were reported.</i>
25 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.	The Village does not have any bond or notes payable.	<i>No findings or criticisms were reported.</i>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Fraud Notice		
Agreed-Upon Procedure	Results	Managements' Response
23 Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	No misappropriations were reported.	<i>No findings or criticisms were reported.</i>
26 Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.	The necessary postings were not present.	<i>We will be sure to have the required notice posted.</i>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
<p>27 Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."</p> <p>a. 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.</p> <p>b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.</p> <p>c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.</p>	<p>We performed the procedure and discussed the results with management.</p> <p>We performed the procedure and discussed the results with management.</p> <p>We performed the procedure and discussed the results with management.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p>
<p>28 Randomly select 5 terminated employees (or all terminated employees if less than 5) using</p>	<p>We performed the procedure and discussed the results with management.</p>	<p><i>No findings or criticisms were reported.</i></p>

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.		

Village of Natchez

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Sexual Harassment		
Agreed-Upon Procedure	Results	Managements' Response
<p>29 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.</p>	<p>Sexual harassment training documentation was not available.</p>	<p><i>We will review files to ensure that all employees complete the sexual harassment training during the fiscal year.</i></p>
<p>30 Observe 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).</p>	<p>Sexual harassment policy was not posted.</p>	<p><i>We will work towards developing and posting a sexual harassment policy at our Municipal Complex.</i></p>
<p>31 Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:</p> <ul style="list-style-type: none"> a. Number and percentage of public servants in the agency who have completed the training requirements; b. Number of sexual harassment complaints received by the agency; c. Number of complaints which resulted in a finding that sexual harassment occurred; d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and e. Amount of time it took to resolve each complaint. 	<p>A report was not completed during the fiscal year.</p>	<p><i>We will work towards completing an annual sexual harassment report in the future.</i></p>