

Village of Angie

Annual Financial Statements

As of and for the Year Then Ended December 31, 2019
With Supplementary Information



BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Village of Angie
Annual Financial Statements
As of and for the Year Ended December 31, 2019
With Supplementary Information

TABLE OF CONTENTS

	Statement	Page
Independent Auditor’s Report		5
Required Supplementary Information (Part I):		
Management’s Discussion and Analysis.....		9
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position.....	A	17
Statement of Activities	B	18
Fund Financial Statements:		
Governmental Funds Financial Statements:		
Balance Sheet, Governmental Funds	C	20
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Financial Statement of Net Position.....	D	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	23
Proprietary Fund Financial Statements:		
Statement of Net Position	G	24
Statement of Revenues, Expenses and Changes in Net Position	H	25
Statement of Cash Flows	I	26
Notes to the Financial Statements.....		28

Village of Angie
Annual Financial Statements
As of and for the Year Ended December 31, 2019
With Supplementary Information

TABLE OF CONTENTS

	Schedule	Page
Required Supplementary Information (Part II):		
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget (GAAP Basis) and Actual General Fund - Summary	1	44
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget (GAAP Basis) and Actual General Fund - Detail.....	2	45
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget (GAAP Basis) and Actual Special Revenue Sales Tax Fund	3	47
Other Supplementary Information:		
Proprietary Funds - Utility Fund:		
Schedule of Net Position	4	49
Schedule of Revenues, Expenses and Changes in Net Position.....	5	50
Schedule of Cash Flows	6	51
Schedule of Revenues, Expenses and Changes in Net Position Budget (GAAP Basis) and Actual -	7	52
Schedule of Compensation Paid to Board Members.....	8	53
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head.....	9	54
Schedule of Current Year Findings and Responses.....	10	55
Schedule of Prior Year Findings and Responses.....	11	64
Independent Accountant’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		66

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Independent Auditor's Report

To the Honorable Mayor John Dawsey
and Board of Aldermen
Village of Angie, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Angie, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

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, each major fund, and the aggregate remaining fund information of the Village of Angie, as of December 31, 2019, 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.

Other Matters

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Board of Aldermen
Village of Angie
Independent Auditor's Report
Page 2

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 9-15 and pages 44-47 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Angie's basic financial statements. The accompanying schedule listed as Other Supplementary Information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying schedule listed as Other Supplementary Information in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 accompanying schedules listed as Other Supplementary Information in the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated January 25, 2021 on our consideration of the Village of Angie's internal control over financial reporting and 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 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 *Governmental Auditing Standards* in considering the Village of Angie's internal control over financial reporting and compliance.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

Kentwood, Louisiana
January 25, 2021

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Required Supplementary Information (Part I)
Management's Discussion and Analysis

Village of Angie

Management's Discussion and Analysis As of and for the Year Ended December 31, 2019

Introduction

The Village of Angie (the Village) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), as amended. The amendment of GASB 34, including the adoption of GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Positions*, and applicable standards are more fully described in Footnote 1 – *Summary of Significant Accounting Policies*.

The Village's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Village's financial activity, (c) identify changes in the Village's financial position, (d) identify any significant variations from the Village's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Village's financial statements in this report.

Financial Highlights

- At December 31, 2019, the Village's assets exceeded its liabilities by \$573,544 (net position). Of this amount, \$199,151 (unrestricted net position) may be used to meet the Village's ongoing obligations to its citizens.
- For the year ended December 31, 2019, the Village's total net position decreased by \$(125,389). This decrease is primarily because of excess expenditures of \$122,782 in the Sales Tax Fund. Revenues consist of ad valorem taxes, sales taxes, franchise taxes, refund on landfill operation, grants, and fines and other fees, along with revenue from water sales in business type activities. Total revenues for the fiscal year ended December 31, 2019 were \$561,803, representing an increase of 129% or \$316,414 over the prior year. This is mainly due to grant funds received in the amount of \$296,451.
- At December 31, 2019, the Village's governmental funds reported combined ending fund balances of \$133,126, a decrease of \$106,997 for the year.
- At December 31, 2019, the Village's proprietary funds reported combined ending net position of \$233,596, a decrease of \$11,480 for the year. Of total ending net position in the utility fund, approximately thirty-nine percent, or \$90,804, is available for spending at the Village's discretion (unrestricted net position).

Overview of the Annual Financial Report

The financial statement focus is on both the Village as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Village's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Village's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Village of Angie

Management's Discussion and Analysis As of and for the Year Ended December 31, 2019

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private-sector business. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support are presented in separate columns along with a total column for the primary government. If the Village determines that presentation of a component unit (which are other governmental units for which the Village can exercise significant influences or for which the Primary Government financial statements would be misleading if component unit information is not presented) is necessary to allow the reader to determine the relationship of the component unit and primary government, the component unit information is presented in a separate column of the financial statements or in a separate footnote. For the current fiscal year, the Village of Angie has no component units.

The Statement of Net Position presents information on the Village's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the Village's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

In both of the government-wide financial statements, the Village's activities are divided into two types:

- Governmental activities - Most of the Village's basic services are reported here, including general government, public safety, streets, health and welfare, and culture and recreation. These activities are financed primarily by property taxes, franchise taxes, sales taxes, and fines.
- Business-type activities - The Village charges a fee to customers to help it cover all of the cost of the services provided. The Village's water system and sanitation activities are reported in this section.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Village uses two categories of funds to account for financial transactions: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Village of Angie

Management's Discussion and Analysis As of and for the Year Ended December 31, 2019

Governmental funds are used to account for most of the Village's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs.

Proprietary funds account for water utility and sanitation services provided by the Village to its customers. Proprietary funds statements provide the same type of information as the government-wide financial statements, but the fund presentation provides more detail.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Village's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Village of Angie

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2019**

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Village's net position for the current year as compared to the prior year.

**Net Position
2019 and 2018**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Assets:						
Current and Other Assets	\$ 180,657	\$ 295,367	\$ 94,210	\$ 89,488	\$ 274,867	\$ 384,855
Capital Assets	206,822	213,734	142,792	159,210	349,614	372,944
Total Assets	<u>387,479</u>	<u>509,101</u>	<u>237,002</u>	<u>248,698</u>	<u>624,481</u>	<u>757,799</u>
Liabilities:						
Other Liabilities	47,531	55,244	3,406	3,622	50,937	58,866
Total Liabilities	<u>47,531</u>	<u>55,244</u>	<u>3,406</u>	<u>3,622</u>	<u>50,937</u>	<u>58,866</u>
Net Position:						
Net Investment in Capital Assets	206,822	213,734	142,792	159,210	349,614	372,944
Restricted	24,779	32,822	-	-	24,779	32,822
Unrestricted	108,347	207,301	90,804	85,866	199,151	293,167
Total Net Position	<u>\$ 339,948</u>	<u>\$ 453,857</u>	<u>\$ 233,596</u>	<u>\$ 245,076</u>	<u>\$ 573,544</u>	<u>\$ 698,933</u>

See page 17 for a more detailed Statement of Net Position for the Village.

The composition of net position and the change in net position over time serves as a useful indicator of a government's financial position. Net position from governmental activities decreased \$113,909 in the fiscal year ending December 31, 2019 and net position from business-type activities decreased \$ 11,480. "Unrestricted Net position" totaling \$199,151 is 35 percent of net position. These assets are available to meet the ongoing needs of the Village. The remaining net position is "Invested in Capital Assets Net of Related Debt" totaling \$349,614 or 61 percent of net position and restricted cash for Cemetery upkeep, Road Repairs and Capital Outlay totaling \$24,779 or 4 percent of net position. "Invested in Capital Assets Net of Related Debt" category reflects the total invested in capital assets (land, buildings, and equipment) net of any related debt used to acquire the capital assets. These capital assets are used to provide services to citizens and do not represent assets available for future spending. During 2016, the Village approved an ordinance to restrict the cemetery cash account for only cemetery expenses. The cemetery revenue is currently from contributions by the public. In 2017, additional cash was donated to the Village of Angie from Bonnie Cemetery in the amount of \$18,369. As such, the cemetery cash account is reflected as restricted in the net position.

Village of Angie

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2019**

Condensed Statement of Activities

**Changes in Net Position
For the years ended December 31, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$ 30,740	\$ 47,938	\$ 55,708	\$ 47,170	\$ 86,448	\$ 95,108
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues:						
Property Taxes	5,008	5,756	-	-	5,008	5,756
Sales Taxes	130,283	121,593	-	-	130,283	121,593
Landfill Refund	7,400	7,500	-	-	7,400	7,500
Franchise Taxes	14,957	8,284	-	-	14,957	8,284
Intergovernmental	296,451	-	-	-	296,451	-
Interest Income	2,584	4,469	400	302	2,984	4,771
Donations	519	600	-	-	519	600
Miscellaneous	5,453	1,637	6,300	140	11,753	1,777
On-Behalf Payments-Supplemental Pay	6,000	-	-	-	6,000	-
Total Revenues	<u>499,395</u>	<u>197,777</u>	<u>62,408</u>	<u>47,612</u>	<u>561,803</u>	<u>245,389</u>
Expenses:						
General Government	562,690	213,993	-	-	562,690	213,993
Public Safety - Police	67,814	66,239	-	-	67,814	66,239
Water Utility and Sanitation	-	-	56,688	58,694	56,688	58,694
Total Expenses	<u>630,504</u>	<u>280,232</u>	<u>56,688</u>	<u>58,694</u>	<u>687,192</u>	<u>338,926</u>
Change in Net Position Before Transfers and Contributions	(131,109)	(82,455)	5,720	(11,082)	(125,389)	(93,537)
Transfers (Out) In	17,200	9,000	(17,200)	(9,000)	-	-
Change in Net Position	(113,909)	(73,455)	(11,480)	(20,082)	(125,389)	(93,537)
Net Position, Beginning	453,857	527,312	245,076	265,158	698,933	792,470
Net Position, Ending	<u>\$ 339,948</u>	<u>\$ 453,857</u>	<u>\$ 233,596</u>	<u>\$ 245,076</u>	<u>\$ 573,544</u>	<u>\$ 698,933</u>

While the Statement of Net Position shows the change in financial position of net position, the Statement of Activities provides answers to the nature and scope of these changes. The above table gives an indication of how the mayor and the board of aldermen operate the Village of Angie on a conservative basis. The governmental net position for the fiscal year 2019 decreased by 25 percent, while business-type net position decreased by 5 percent. General government expenditures increased by 125 percent. Sales taxes are generally the major source of general government revenue totaling \$130,283 for 2019 representing 26 percent of total revenue. However, the Village received \$296,451 in grant revenue for 2019 representing 59 percent of total revenue. The major governmental expenditures are for costs of street overlay repairs in the amount of \$421,855, salaries of \$98,509, professional fees \$16,325 and insurance \$18,667.

Village of Angie

**Management’s Discussion and Analysis
As of and for the Year Ended December 31, 2019**

Fund Financial Analysis

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Village’s net resources available for spending at the end of the year.

At the end of the current year, the Village’s governmental funds reported combined ending fund balances of \$133,126. The unassigned fund balance is (\$13,127). The deficit unassigned balance is primarily related to the amount “Due to Other Funds”. The remainder of the fund balance is assigned to indicate that its expenditures are dictated by the provisions of the sales tax ordinance (streets, sewage and waterworks), prepaid for insurance, or restricted for Cemetery expenditures and Capital Outlay.

The general fund is the chief operating fund of the Village. At the end of the current year, the total fund balance for the general fund was \$17,937.

Proprietary Funds

The Village’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budgetary Highlights

The Village has a formal policy on adopting a budget. The Village prepares the budget on the modified accrual basis of accounting. The Village adopted its 2019 budget on November 5, 2018 and amended its 2019 budget and adopted its 2020 budget in a meeting on December 30, 2019. The mayor and board of aldermen review the budget to actual financial figures on a monthly basis. All appropriations lapse at year end.

The following is a comparison of the final budget to actual expenditures for the year ended December 31, 2019.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues and Other Sources				
General Fund	\$ 148,900	\$ 158,210	\$ 478,556	\$ 320,346
Sales Tax Fund	43,700	51,100	54,039	2,939
Expenditures and Other Uses				
General Fund	143,560	168,400	462,771	(294,371)
Sales Tax Fund	52,600	169,014	176,821	(7,807)

General Fund and Sales Tax Fund Revenues and Other Sources were in compliance with the state budget act. Sales Tax Fund Expenditures and Other Uses were in compliance with the state budget act. However, the General Fund Expenditures and Other Uses were over budget by more than 5%. The Village was not in compliance with the state budget act. See Finding Number 2019-C1 for further explanation.

Village of Angie

Management's Discussion and Analysis As of and for the Year Ended December 31, 2019

Capital Assets and Debt Administration

Capital Assets

At the end of the fiscal year December 31, 2019, the Village of Angie had \$349,614 of capital assets (net of accumulated depreciation), including land. Capital outlays are recorded as expenditures on the governmental fund basis and as assets in the government-wide financial statements. Depreciation is recorded on general fixed assets on a governmental-wide basis using the straight-line method and the following estimated useful lives:

Description	Estimated Lives
Buildings & Improvements	20 - 40 Years
Machinery and Equipment	5 - 10 Years
Infrastructure	20 - 40 Years
Water System	10 - 20 Years

The following table provides a summary of the Village's capital assets (net of depreciation) at the end of the current year as compared to the prior year.

Capital Assets (Net of Depreciation)						
2019 and 2018						
Capital Assets	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 20,500	\$ 20,500	\$ -	\$ -	\$ 20,500	\$ 20,500
Construction in Progress	-	-	-	-	-	-
Buildings and Improvements	181,048	181,048	-	-	181,048	181,048
Machinery and Equipment	169,597	186,597	23,644	23,644	193,241	210,241
Other Depreciable Property	17,000	-	-	-	17,000	-
Water Utility System	-	-	393,341	393,341	393,341	393,341
Subtotal Capital Assets	388,145	388,145	416,985	416,985	805,130	805,130
Less: Accumulated Depreciation	(181,323)	(174,411)	(274,193)	(257,775)	(455,516)	(432,186)
Capital Assets, Net	\$ 206,822	\$ 213,734	\$ 142,792	\$ 159,210	\$ 349,614	\$ 372,944

Long-Term Debt

At December 31, 2019, the Village did not have any long-term debt outstanding.

Other Factors Affecting the Village

The Village of Angie's board of aldermen actively monitors revenues and expenses. They are constantly seeking state and or federal grants to fund improvements to the Village. Their sources of revenue are limited and any increase in the revenue sources is highly unlikely. Therefore, the board's focus is on obtaining new grants, stream lining expenditures, and ensuring all revenue is collected in a timely manner. The board's plan is to improve services for the voters of the Village of Angie without increasing the tax burden.

Contacting the Village's Financial Management

This financial report is designed to provide the Village's citizens, taxpayers, creditors and investors with a general overview of the Village's finances and show the Village's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Village of Angie at 64475 Cherry Street Angie, LA 70426 and (985) 986-2444.

Basic Financial Statements
Government-Wide Financial Statements

Statement A

Village of Angie
Statement of Net Position
As of December 31, 2019

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 20,937	\$ 19,909	\$ 40,846
Investments	100,380	25,000	125,380
Receivables, Net:			
Intergovernmental	7,400	-	7,400
Accounts	-	4,339	4,339
Ad Valorem	4,133	-	4,133
Sales Tax	11,214	-	11,214
Franchise Taxes	4,689	-	4,689
Miscellaneous	840	-	840
Due From Other Funds	-	44,762	44,762
Prepaid Expenses	6,285	200	6,485
Total Current Assets	155,878	94,210	250,088
Restricted Assets:			
Restricted Cash and Cash Equivalents	24,779	-	24,779
Total Restricted Assets	24,779	-	24,779
Capital Assets:			
Land	20,500	-	20,500
Capital Assets, Net	186,322	142,792	329,114
Total Capital Assets	206,822	142,792	349,614
Total Assets	387,479	237,002	624,481
Liabilities			
Current Liabilities:			
Accounts Payable	1,019	3,406	4,425
Other Accrued Payables	1,750	-	1,750
Due To Other Funds	44,762	-	44,762
Total Current Liabilities	47,531	3,406	50,937
Total Liabilities	47,531	3,406	50,937
Net Position			
Net Investment in Capital Assets	206,822	142,792	349,614
Restricted for:			
Road Repairs	477	-	477
Cemetery Fund	24,302	-	24,302
Unrestricted	108,347	90,804	199,151
Total Net Position	\$ 339,948	\$ 233,596	\$ 573,544

The accompanying notes are an integral part of this statement.

Village of Angie
Statement of Activities
For the year ended December 31, 2019

	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes of Primary Government</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants & Contri- butions</u>	<u>Net (Expenses) Revenues</u>	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Governmental Activities							
General Government	\$ 562,690	\$ -	\$ -	\$ (562,690)	\$ (562,690)	\$ -	\$ (562,690)
Public Safety	67,814	30,740	-	(37,074)	(37,074)	-	(37,074)
Total Governmental Activities	<u>\$ 630,504</u>	<u>\$ 30,740</u>	<u>\$ -</u>	<u>\$ (599,764)</u>	<u>(599,764)</u>	<u>-</u>	<u>(599,764)</u>
Business-type Activities							
Water	\$ 41,030	\$ 38,413	\$ -	\$ (2,617)	-	(2,617)	(2,617)
Sanitation	15,658	17,295	-	1,637	-	1,637	1,637
Total Business-type Activities	<u>\$ 56,688</u>	<u>\$ 55,708</u>	<u>\$ -</u>	<u>\$ (980)</u>	<u>-</u>	<u>(980)</u>	<u>(980)</u>
General Revenues:							
Taxes:							
Property Taxes					5,008	-	5,008
Sales Taxes					130,283	-	130,283
Landfill Refund					7,400	-	7,400
Franchise Taxes					14,957	-	14,957
Intergovernmental					296,451	-	296,451
Interest Income					2,584	400	2,984
Donations					519	-	519
Miscellaneous					5,453	6,300	11,753
On-Behalf-State Supplemental Pay for Police					6,000		6,000
Operating Transfers In (Out)					17,200	(17,200)	-
Total General Revenues and Transfers					<u>485,855</u>	<u>(10,500)</u>	<u>475,355</u>
Change in Net Position					<u>(113,909)</u>	<u>(11,480)</u>	<u>(125,389)</u>
Net Position - Beginning					453,857	245,076	698,933
Net Position - Ending					<u>\$ 339,948</u>	<u>\$ 233,596</u>	<u>\$ 573,544</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fund Financial Statements

Statement C

Village of Angie
Balance Sheet- Governmental Funds
As of December 31, 2019

	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash and Equivalents	\$ 11,533	\$ 39,742	\$ 51,275
Investments	-	70,042	70,042
Receivables, Net:	22,669	5,607	28,276
Due From Other Funds	-	35,175	35,175
Prepaid Insurance	6,285	-	6,285
Restricted Cash	24,779	-	24,779
Total Assets	<u>\$ 65,266</u>	<u>\$ 150,566</u>	<u>\$ 215,832</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts Payable	\$ 421	\$ 598	\$ 1,019
Other Accrued Liabilities	1,750	-	1,750
Due to Other Funds	45,158	34,779	79,937
Total Liabilities	<u>47,329</u>	<u>35,377</u>	<u>82,706</u>
Fund Balances:			
Nonspendable	6,285	-	6,285
Restricted	24,779	-	24,779
Assigned	-	115,189	115,189
Unassigned	(13,127)	-	(13,127)
Total Fund Balances	<u>17,937</u>	<u>115,189</u>	<u>133,126</u>
Total Liabilities and Fund Balances	<u>\$ 65,266</u>	<u>\$ 150,566</u>	<u>\$ 215,832</u>

The accompanying notes are an integral part of this statement.

Village of Angie
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
As of December 31, 2019

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$	133,126
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.		
Governmental capital assets net of depreciation		206,822
Net Position of Governmental Activities (Statement A)	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">339,948</div>

The accompanying notes are an integral part of this statement.

Village of Angie
Statement of Revenues, Expenditures and
Changes in Fund Balances- Governmental Funds
For the year ended December 31, 2019

	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes	\$ 78,015	\$ 51,455	\$ 129,470
Licenses and Permits	28,178	-	28,178
Fines and Forfeitures	30,740	-	30,740
State Grants	296,451	-	296,451
Interest	-	2,584	2,584
Donations	519	-	519
Miscellaneous	5,453	-	5,453
On-Behalf Payments-Supplemental Pay	6,000	-	6,000
Total Revenues	<u>445,356</u>	<u>54,039</u>	<u>499,395</u>
Expenditures			
General Government	102,291	160,821	263,112
Public Safety:			
Police	70,480	-	70,480
Public Works	290,000	-	290,000
Total Expenditures	<u>462,771</u>	<u>160,821</u>	<u>623,592</u>
Excess of Revenues Over (Under)			
Expenditures	<u>(17,415)</u>	<u>(106,782)</u>	<u>(124,197)</u>
Other Financing Sources (Uses)			
Operating Transfers In	33,200	-	33,200
Operating Transfers (Out)	-	(16,000)	(16,000)
Total Other Financing Sources (Uses)	<u>33,200</u>	<u>(16,000)</u>	<u>17,200</u>
Net Change in Fund Balances	<u>15,785</u>	<u>(122,782)</u>	<u>(106,997)</u>
Fund Balances, Beginning	<u>2,152</u>	<u>237,971</u>	<u>240,123</u>
Fund Balances, Ending	<u>\$ 17,937</u>	<u>\$ 115,189</u>	<u>\$ 133,126</u>

The accompanying notes are an integral part of this statement.

Village of Angie
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2019

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ (106,997)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Expenditures for capital assets	\$	-	
Less:			
Current year depreciation		(6,912)	(6,912)

Change in Net Position of Governmental Activities, Statement B \$ (113,909)

The accompanying notes are an integral part of this statement.

Village of Angie
Statement of Net Position - Proprietary Funds
As of December 31, 2019

Statement G

Assets	<u>Enterprise Fund</u>
Current Assets:	
Cash and Cash Equivalents	\$ 19,909
Investments	25,000
Receivables, Net:	4,339
Due From Other Funds	44,762
Prepaid Expenses	200
Total Current Assets	<u>94,210</u>
Property, Plant, and Equipment	
Land	-
Property, Plant and Equipment, Net	142,792
Total Property, Plant, and Equipment	<u>142,792</u>
Total Assets	<u>237,002</u>
Liabilities	
Current Liabilities (Payable From Current Assets):	
Accounts Payable	3,406
Total Current Liabilities (Payable From Current Assets)	<u>3,406</u>
Total Liabilities	<u>3,406</u>
Net Position	
Net Investment in Capital Assets	142,792
Unrestricted	90,804
Total Net Position	<u>\$ 233,596</u>

The accompanying notes are an integral part of this statement.

Village of Angie
Statement of Revenues, Expenses and
Changes in Net Position - Proprietary Funds
For the year ended December 31, 2019

Statement H

		<u>Enterprise Fund</u>
Operating Revenues		
Water Sales	\$	38,413
Sanitation Billings		17,295
Other		6,300
Total Operating Revenues		<u>62,008</u>
 Operating Expenses		
Bad Debts		1,815
Depreciation		16,418
Repairs and Maintenance		8,241
Sanitation		15,658
Supplies		6,541
Utilities		6,100
Other		1,915
Total Operating Expenses		<u>56,688</u>
 Operating Income (Loss)		<u>5,320</u>
 Nonoperating Revenues (Expenses)		
Interest		400
Total Nonoperating Revenues (Expenses)		<u>400</u>
 Income (Loss) Before Contributions and Transfers		<u>5,720</u>
 Transfers		
Operating Transfers In		-
Operating Transfers Out		(17,200)
Change in Net Position		(11,480)
Total Net Position, Beginning		<u>245,076</u>
Total Net Position, Ending	\$	<u><u>233,596</u></u>

The accompanying notes are an integral part of this statement.

Village of Angie
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2019

Statement I

	Enterprise Fund
Cash Flows From Operating Activities	
Received From Customers	\$ 54,184
Received for Interfund Services	134
Payments for Operations	(40,486)
Payments to Employees	-
Miscellaneous	6,300
Net Cash Provided (Used) by Operating Activities	<u>20,132</u>
Cash Flows From Noncapital Financing Activities	
Transfers From (To) Other Funds	<u>(17,200)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(17,200)</u>
Cash Flows From Capital and Related Financing Activities	
Capital Contributions Received	-
(Payments for) Capital Acquisitions	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>
Cash Flows From Investing Activities	
Receipt of Interest	<u>400</u>
Net Cash Provided (Used) by Investing Activities	<u>400</u>
Net Cash Increase (Decrease) in Cash and Cash Equivalents	3,332
Cash and Cash Equivalents, Beginning of Year	<u>16,577</u>
Cash and Cash Equivalents, End of Year	<u>\$ 19,909</u>
 Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:	
Cash and Cash Equivalents, Unrestricted	\$ 19,909
Cash and Cash Equivalents, Restricted	-
Total Cash and Cash Equivalents	<u>\$ 19,909</u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ 5,320
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	16,418
(Increase) decrease in Accounts Receivable	(1,524)
(Increase) decrease in Accounts Payable	(216)
(Increase) decrease in Due (to) and from Other Funds	134
Increase (decrease) in Accrued Expenses	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 20,132</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Notes to the Financial Statements

Village of Angie
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

Introduction

The Village of Angie, Louisiana was incorporated on May 25, 1908 under the provisions of the Lawrason Act. The Village operates under a Mayor/Board of Aldermen form of government. The governing body of the Village of Angie is elected by the registered voters living in the Village. Elected officials include the mayor, three aldermen, and a police chief. These positions are compensated. All funds of the Village shall be administered by the Mayor and the Board of Aldermen. Angie is located approximately two miles south of the Mississippi state line. The Village is approximately 51 acres in size and services a population of approximately 240. The Village employs one part-time office clerk, one part-time water maintenance worker, and four part-time police officers. The Village operates a water and sanitation department that serves approximately 93 customers.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, as amended, establishes criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Village is considered a primary government, since it is a local special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. There are no component units which the Village of Angie has an oversight relationship.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

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

These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net assets (or balance sheet), a statement of activities, and a statement of cash flows. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. The Village has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* that require capital contributions to the Village to be presented as a change in net position.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial

Village of Angie
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote K – Net Position and Fund Balance*.

The Village has also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The application of this standard to long-term debt offerings of the Village is more fully described in *Footnote J – Long-Term Obligations*.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements. All of the Village’s funds were determined to be Major Funds and were reported in the governmental funds statement. The proprietary fund is reported separately.

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

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable, if any, due within the current fiscal period is

Village of Angie
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Village of Angie reports the following major governmental funds:

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

The *Sales Tax Special Revenue Fund* accounts for the proceeds of sales tax revenues that is legally restricted to expenditures for specific purposes.

The Village of Angie reports the following major proprietary funds:

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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

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

Proprietary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when the liability is incurred or economic asset used. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are user charges for the services provided by the enterprise funds. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Village of Angie
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

When restricted, committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds as needed, unless it has been provided for otherwise in the restriction, commitment, or assignment actions.

C. Deposits and Investments

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

Investments for the Village are reported at fair market value. The state investment pool, LAMP, operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

D. Receivables and Payables

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

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

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. Proceeds of the one percent sales and use tax levied by the Village are dedicated to “constructing and improving public roads, streets, bridges and crossings, and the extension and maintenance of sewerage and water works and other works of permanent public improvement. The proceeds are allocated equally between the general and sales tax funds.

Property taxes are levied on a calendar year basis and become due on December 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Taxable Value</u>	<u>Expiration Date</u>
General Corporate Purposes	5.58 mills	5.58 mills	\$ 1,252,230	Perpetual by Louisiana Constitution

E. Inventory and Prepaid Items

Purchase of various operating supplies are considered expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Village of Angie
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

F. Restricted Assets

Certain proceeds of certain resources that are legally restricted to expenditures for specified purposes are classified as restricted assets because their use is limited to specified expenditures.

G. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings & Improvements	20 - 40 Years
Machinery and Equipment	5 - 10 Years
Infrastructure	20 - 40 Years
Water System	10 - 20 Years

H. Compensated Absences

The Village only employs part-time employees and does not have a formal leave policy.

I. Sales Taxes

Effective on March 19, 1957, sales and use taxes were levied at one percent. The proceeds of the tax are dedicated and used for constructing and improving public roads, streets, bridges, and crossings and the extension and maintenance of sewerage and waterworks and other works of permanent public improvements in the Village of Angie. The proceeds are allocated equally between the general and sales tax funds. The tax does not expire.

J. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The Village has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, but since current debt issues have no associated bond issuance costs, the implementation of this standard did not require revision in current accounting policies for existing debt. If applicable, bond premiums and discounts continue to be amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Under GASB Statement No. 65, if

Village of Angie
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

applicable for any new debt issue, debt issuance costs other than prepaid insurance costs should be recognized as an expense in the period incurred. Any prepaid insurance costs of any new debt issuance should be reported as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. At December 31, 2019 the Village has no long-term debt.

K. Net Position and Fund Balance

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 for the government-wide financial statements requires the following components of net position:

- **Net Invested in Capital Assets Component of Net Position.** The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- **Restricted Component of Net Position.** The *restricted* component of net position includes capital assets, net of accumulated depreciation, reduced by the outstanding balance of any bonds, or indebtedness attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset calculation as unspent proceeds. The *restricted* component of net position also includes the restricted cemetery cash for cemetery expenditures.
- **Unrestricted Component of Net Position.** The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund statements, governmental fund equity is classified as fund balance. The Village adopted GASB 54 for the year ended December 31, 2011. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

Village of Angie
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

- **Nonspendable.** These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal decision of the Board, which is the highest level of decision making authority for the Village.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes.
- **Unassigned.** These are all other spendable amounts.

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

When restricted, committed, assigned, or unassigned fund balances are available for use, the Village considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds as needed, unless it has been provided for otherwise in the restriction, commitment, or assignment action.

L. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. All prior period adjustments recorded in the current period have been reflected in prior period data presented wherever possible.

M. Extraordinary and Special Items

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

N. Estimates

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

O. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

Village of Angie
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

2. Stewardship, Compliance and Accountability

The Village uses the following budget practices:

1. The Village Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving the increase in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the general and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

The proposed budget for December 31, 2019, was made available for public inspection on November, 5, 2018, upon presentation to the board of aldermen. The proposed budget was prepared on the modified accrual basis of accounting and was adopted at the Village's December 3, 2018 meeting. The 2019 budget was amended at the Village's meeting on December 30, 2019.

General Fund and Sales Tax Fund Revenues and Other Sources were in compliance with the state budget act. Sales Tax Fund Expenditures and Other Uses were in compliance with the state budget act. However, the General Fund Expenditures and Other Uses were over budget by more than 5%. The Village was not in compliance with the state budget act. See Finding Number 2019-C1 for further explanation.

Village of Angie
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

3. Cash and Cash Equivalents

At December 31, 2019, the Village has cash and cash equivalents (book balances) as follows:

	December 31, 2019
Cash and Cash Equivalents	
Demand Deposits	\$ 65,625
Investments	
Louisiana Asset Management Pool	30,338
Time Deposits	95,042
Total Investments	125,380
Total Deposits	\$ 191,005

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. The Village does not have a formal policy for custodial credit risk. At December 31, 2019, the Village had \$171,090 in bank deposits other than LAMP (collected bank balances) in one financial institution consisting of \$76,048 in demand deposits and \$95,042 in certificates of deposits. These deposits are secured from risk by \$250,000 of federal deposit insurance (GASB Category 3).

At December 31, 2019, the Village had additional deposits in the Louisiana Asset Management Pool (LAMP) recorded as cash of \$30,338.

4. Investments

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Village or its agent in the Village's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Village's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Village's name

In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments, when held, are carried at fair market value, with the estimated fair market value based on quoted market prices.

Village of Angie
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

Interest Rate Risk: The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

All investments held by the Village fall into category 1 credit risk, defined as “insured or registered, or securities held by the Village or its agent in the Village’s name.” At December 31, 2019, the Village’s investment balances consisted of \$95,042 of certificates of deposit held at Citizen Savings Bank and \$30,338 in deposits in LAMP.

All investments are stated on the balance sheet (carrying value) at market value. All investments are in the name of the Village and are held at the Village’s office. Because these investments are in the name of the Village and are held by the Village or the Village’s agent, the investments are considered insured and registered, Category (1), in applying the credit risk of GASB Codification Section I50.164.

In accordance with GASB Codification Section I50.165, the assets held in LAMP at December 31, 2019, are not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The investment in LAMP is stated at the value of the pool shares, which is the same as the fair value, and has been categorized as cash equivalents.

LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for like investment pools:

1. Credit risk: LAMP is rated AAAM by Standards and Poor’s.
2. Custodial credit risk: LAMP participants’ investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity’s investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: LAMP is designed to be highly liquid to give participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP’s total investments is 46 days (from LAMP’s monthly Portfolio Holding) as of December 31, 2019.
5. Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

Village of Angie
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with SEC as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at (800) 249-5267.

5. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends and the period aging and write-off of accounts receivable. Major receivables balances for the governmental activities include sales taxes, ad valorem taxes, and intergovernmental. Business-type activities report utilities earnings as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise taxes, occupational licenses, fines, and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions, collectible but not available, are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded only if paid within 60 days since they would be considered both measurable and available. Proprietary fund revenues consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable. Interest and investment earnings are recorded only if paid within 60 days since they would be considered both measurable and available.

Receivables at December 31, 2019 consist of the following:

Receivables	General Fund	Sales Tax Fund	Enterprise Fund	Total Receivables
Ad Valorem	\$ 4,133	\$ -	\$ -	\$ 4,133
Sales Tax	5,607	5,607	-	11,214
Franchise Tax	4,689	-	-	4,689
Other Receivable	840	-	-	840
Intergovernmental - Landfill Refund	7,400	-	-	7,400
Utility	-	-	4,339	4,339
Total Receivables	\$ 22,669	\$ 5,607	\$ 4,339	\$ 32,615

Proceeds of the one percent sales and use tax by the Village are dedicated to “constructing and improving public roads, streets, bridges and crossings, and the extension and maintenance of sewerage and water works of permanent public improvement”.

Village of Angie
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

6. Interfund Receivables/Payables

The following is a detailed list of interfund balances reported in the fund financial statements on December 31, 2019:

Interfund Balances	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund		
Sales Tax Fund	\$ -	\$ 35,175
Enterprise Fund	-	9,983
Special Revenue Fund		
Sales Tax Fund		
General Fund	35,175	-
Enterprise Fund	-	34,779
Enterprise Fund		
General Fund	9,983	-
Sales Tax Fund	34,779	-
Total Interfund Balances	<u>\$ 79,937</u>	<u>\$ 79,937</u>

7. Capital Assets

The following is a summary of changes in capital assets for governmental activities for the year ended December 31, 2019:

Governmental Activities Capital Assets:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 20,500	\$ -	\$ -	\$ 20,500
Construction in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	<u>20,500</u>	<u>-</u>	<u>-</u>	<u>20,500</u>
Capital Assets Being Depreciated:				
Building	181,048	-	-	181,048
Machinery and Equipment	169,597	-	-	169,597
Other Depreciable Property	17,000	-	-	17,000
Total Capital Assets Being Depreciated	<u>367,645</u>	<u>-</u>	<u>-</u>	<u>367,645</u>
Less Accumulated Depreciation for:				
Building	14,714	4,413	-	19,127
Machinery and Equipment	158,776	1,649	-	160,425
Other Depreciable Property	921	850	-	1,771
Total Accumulated Depreciation	<u>174,411</u>	<u>6,912</u>	<u>-</u>	<u>181,323</u>
Total Capital Assets Being Depreciated, Net	<u>193,234</u>	<u>(6,912)</u>	<u>-</u>	<u>186,322</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 213,734</u>	<u>\$ (6,912)</u>	<u>\$ -</u>	<u>\$ 206,822</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 6,912
Public Safety	-
	<u>\$ 6,912</u>

Village of Angie
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

Capital assets and depreciation activity as of and for the year ended December 31, 2019 for business-type activities is as follows:

Business - Type Activities Capital Assets:	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Capital Assets Not Being Depreciated:					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	-	-	-	-
Total Capital Assets Not Being Depreciated	-	-	-	-	-
Capital Assets Being Depreciated:					
Equipment	23,644	-	-	-	23,644
Water Utility System	393,341	-	-	-	393,341
Total Capital Assets Being Depreciated	416,985	-	-	-	416,985
Less Accumulated Depreciation for:					
Equipment	15,937	1,400	-	-	17,337
Water Utility System	241,838	15,018	-	-	256,856
Total Accumulated Depreciation	257,775	16,418	-	-	274,193
Total Capital Assets Being Depreciated, Net	159,210	(16,418)	-	-	142,792
Total Business - Type Activities Capital Assets, Net	\$ 159,210	\$ (16,418)	\$ -	\$ -	\$ 142,792

Depreciation expense for the enterprise fund was \$16,418.

The Village spent \$421,855 in costs toward the repaving of Village streets. Of this amount, \$131,855 is reported under street repairs in the Sales Tax Fund and \$290,000 is reported under street repairs in the General Fund. The Village received \$290,000 in Louisiana Community Development Block Grant fund (LCDBG) to help pay for the project. The project was completed in 2019. The Village did not sell or dispose of any capital assets for governmental activities or business activities for the year ended December 31, 2019.

8. Interfund Transfers

Interfund transfers were as follows for the year ended December 31, 2019:

Interfund Transfers	Transfers In	Transfers Out
General Fund		
Sales Tax Fund	\$ 16,000	\$ -
Enterprise Fund	17,200	-
Special Revenue Fund		
Sales Tax Fund		
General Fund	-	16,000
Enterprise Fund	-	-
Enterprise Fund		
General Fund	-	17,200
Sales Tax Fund	-	-
Total Interfund Transfers	\$ 33,200	\$ 33,200

Village of Angie
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

9. Accounts, Salaries and Other Payables

The Governmental Fund payables at December 31, 2019 are as follows:

Governmental Funds Payable	General Fund	Special Revenue Funds	Total Governmental Funds
Accounts	\$ 421	\$ 598	\$ 1,019
Other	1,750	-	1,750
Total Government Funds Payable	\$ 2,171	\$ 598	\$ 2,769

The Enterprise Fund payables at December 31, 2019 are as follows:

Enterprise Funds Payable	Gas Utility	Water Utility	Sewer Utility	Total Enterprise Fund
Accounts	\$ -	\$ 3,406	\$ -	\$ 3,406
Accrued Salaries	-	-	-	-
Due to Other Governments	-	-	-	-
Other	-	-	-	-
Total Enterprise Funds Payable	\$ -	\$ 3,406	\$ -	\$ 3,406

10. Grant Awards

The Village received \$290,000 in Louisiana Community Development Block Grant fund (CDBG) towards the cost of street overlay project. The Village spent \$421,855 in costs toward the repaving of Village streets. Of this amount, \$131,855 is reported under street repairs in the General fund and \$290,000 is reported under street repairs in the Sales Tax fund. The Village also received \$6,451 in Community Water Enrichment Fund (CWEF) proceeds. The funds were used to reimburse for the loop of the water system by boring under the state highway and railroad. Both projects were completed in 2019.

11. Leases

The Village had no capital or operating lease activity during the year ended December 31, 2019.

12. Risk Management

The Village is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Village purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Village's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlement has not exceeded the insurance coverage for the past three fiscal years.

13. Fund Balances and Net Position

At December 31, 2019, the General Fund had \$6,285 non-spendable fund balance, representing the value of prepaid insurance at fiscal year-end. The General Fund also had \$24,779 restricted fund balance, representing amounts for Cemetery expenditures and Capital Outlay. The deficit unassigned balance in the amount of \$(13,127) is primarily related to the amount "Due to Other Funds" and represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

Village of Angie
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

At December 31, 2019, the Sales Tax Fund had \$115,189 assigned fund balance, representing amounts dictated by the provisions of the sales tax ordinance.

14. Contingent Liabilities

At December 31, 2019, the Village is not involved in any outstanding litigation or claims.

15. Related Party Transactions

For the fiscal year ended December 31, 2019, there were no related party transactions requiring disclosure in the financial statements.

16. On-Behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended December 31, 2019, the State of Louisiana made on-behalf payments in the form of supplemental pay to the Village's Police Chief. In accordance with GASB 24, the Village recorded \$6,000 of on-behalf payments as revenue and as expenditures in the General Fund.

17. Subsequent Events

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic and this pandemic has resulted in federal, state, and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders, and quarantining of people that may have been exposed to the virus. As the COVID-19 pandemic is complex and rapidly evolving, at this point we cannot reasonably estimate the duration or severity of this pandemic nor its impact on the entity, its financial position, change in financial position, or cash flows.

The Village has also been awarded a grant in the amount of \$21,523 from Louisiana Government Assistance Program on May 1, 2020 to build an addition onto the senior citizen's building. Construction has not begun as of the date of this report.

Subsequent events have been evaluated by management through January 25, 2021, the date the financial statements were available for issuance. No other events were noted that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2019.

Required Supplementary Information (Part II)

Schedule 1

Village of Angie
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual
General Fund - Summary
For the year ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ 67,900	\$ 71,000	\$ 78,015	\$ 7,015
Licenses and Permits	32,000	34,000	28,178	(5,822)
State Grant	-	-	296,451	296,451
Fines and Forfeitures	47,000	27,000	30,740	3,740
Donations	100	810	519	(291)
Miscellaneous	1,900	1,200	5,453	4,253
On-Behalf Payments-Supplemental Pay	-	-	6,000	6,000
Total Revenues	<u>148,900</u>	<u>134,010</u>	<u>445,356</u>	<u>311,346</u>
Expenditures				
General Government	128,760	106,400	392,291	(285,891)
Public Safety:				
Police	12,800	62,000	70,480	(8,480)
Fire	2,000	-	-	-
Capital Outlays	-	-	-	-
Total Expenditures	<u>143,560</u>	<u>168,400</u>	<u>462,771</u>	<u>(294,371)</u>
Excess Revenues (Expenditures)	<u>5,340</u>	<u>(34,390)</u>	<u>(17,415)</u>	<u>16,975</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	24,200	33,200	9,000
Operating Transfers (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>24,200</u>	<u>33,200</u>	<u>9,000</u>
Net Change in Fund Balances	<u>5,340</u>	<u>(10,190)</u>	<u>15,785</u>	<u>25,975</u>
Fund Balances, Beginning	<u>34,035</u>	<u>1,652</u>	<u>2,152</u>	<u>500</u>
Fund Balances, Ending	<u>\$ 39,375</u>	<u>\$ (8,538)</u>	<u>\$ 17,937</u>	<u>\$ 26,475</u>

See independent auditor's report.

Village of Angie
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual
General Fund - Detail
For the year ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Revenues				
Taxes				
Ad Valorem	\$ 6,600	\$ 600	\$ 5,008	\$ 4,408
Sales Taxes	43,000	50,000	50,650	650
Franchise Taxes	9,500	13,000	14,957	1,957
Washington Parish Council Landfill Refund	8,800	7,400	7,400	-
Total Taxes	<u>67,900</u>	<u>71,000</u>	<u>78,015</u>	<u>7,015</u>
Intergovernmental				
State Grants	-	-	296,451	296,451
Total Intergovernmental	<u>-</u>	<u>-</u>	<u>296,451</u>	<u>296,451</u>
Miscellaneous Revenues				
Licenses and Permits	32,000	34,000	28,178	(5,822)
Fines and Forfeitures	47,000	27,000	30,740	3,740
Interest	-	-	-	-
Donations	100	810	519	(291)
Miscellaneous	1,900	1,200	5,453	4,253
On-Behalf Payments-Supplemental Pay	-	-	6,000	6,000
Total Miscellaneous Revenues	<u>81,000</u>	<u>63,010</u>	<u>70,890</u>	<u>7,880</u>
Total Revenues	<u>148,900</u>	<u>134,010</u>	<u>445,356</u>	<u>311,346</u>
(Continued)				

See independent auditor's report.

Village of Angie
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual
General Fund - Detail
For the year ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Expenditures				
General Government				
Salaries	53,000	39,600	41,423	(1,823)
Payroll Taxes	5,400	3,000	3,170	(170)
Insurance	23,000	23,000	18,667	4,333
Other operating	17,940	9,600	10,169	(569)
Professional Fees	15,120	16,800	16,325	475
Repairs and Maintenance	700	1,200	290,947	(289,747)
Supplies	10,000	9,000	7,400	1,600
Telephone	2,500	2,900	2,960	(60)
Utilities	1,100	1,300	1,230	70
Total General Government	<u>128,760</u>	<u>106,400</u>	<u>392,291</u>	<u>(285,891)</u>
Public Safety:				
Police				
Salaries	3,400	49,000	57,086	(8,086)
Payroll Taxes	-	4,000	3,908	92
Fuel	2,800	5,100	5,471	(371)
Other operating	1,600	900	715	185
Repairs and Maintenance	-	-	941	(941)
Supplies	5,000	3,000	2,359	641
Fire				
Other operating	2,000	-	-	-
Total Public Safety	<u>14,800</u>	<u>62,000</u>	<u>70,480</u>	<u>(8,480)</u>
Capital Outlays	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>143,560</u>	<u>168,400</u>	<u>462,771</u>	<u>(294,371)</u>
Excess Revenues (Expenditures)	<u>5,340</u>	<u>(34,390)</u>	<u>(17,415)</u>	<u>16,975</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	24,200	33,200	9,000
Operating Transfers (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>24,200</u>	<u>33,200</u>	<u>9,000</u>
Net Change in Fund Balances	<u>5,340</u>	<u>(10,190)</u>	<u>15,785</u>	<u>25,975</u>
Fund Balances, Beginning	<u>34,035</u>	<u>1,652</u>	<u>2,152</u>	<u>500</u>
Fund Balances, Ending	<u>\$ 39,375</u>	<u>\$ (8,538)</u>	<u>\$ 17,937</u>	<u>\$ 26,475</u>

(Concluded)

See independent auditor's report.

Village of Angie
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual
Sales Tax Fund
For the year ended December 31, 2019

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Sales Taxes	\$ 43,000	\$ 50,000	\$ 51,455	\$ 1,455
State Grant	-	-	-	-
Interest	-	-	2,584	2,584
Miscellaneous	700	1,100	-	(1,100)
Total Revenues	<u>43,700</u>	<u>51,100</u>	<u>54,039</u>	<u>2,939</u>
Expenditures				
General Government				
Other operating	15,100	13,000	8,554	4,446
Repairs and Maintenance	9,500	6,000	144,184	(138,184)
Utilities	8,000	8,000	8,083	(83)
Total General Government	<u>32,600</u>	<u>27,000</u>	<u>160,821</u>	<u>(133,821)</u>
Capital Outlays	20,000	135,014	-	135,014
Total Expenditures	<u>52,600</u>	<u>162,014</u>	<u>160,821</u>	<u>1,193</u>
Excess Revenues (Expenditures)	<u>(8,900)</u>	<u>(110,914)</u>	<u>(106,782)</u>	<u>4,132</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	(7,000)	(16,000)	(9,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(7,000)</u>	<u>(16,000)</u>	<u>(9,000)</u>
Net Change in Fund Balances	<u>(8,900)</u>	<u>(117,914)</u>	<u>(122,782)</u>	<u>(4,868)</u>
Fund Balances, Beginning	245,467	237,971	237,971	-
Fund Balances, Ending	<u>\$ 236,567</u>	<u>\$ 120,057</u>	<u>\$ 115,189</u>	<u>\$ (4,868)</u>

See independent auditor's report.

Other Supplementary Information

Schedule 4

Village of Angie
Schedule of Net Position
Proprietary Fund Type
As of December 31, 2019
(with 2018 summarized comparative information)

	Enterprise Funds	
	2019	2018
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 19,909	\$ 16,577
Investments	25,000	25,000
Receivables, Net :		
Accounts	4,339	2,815
Due From Other Funds	44,762	44,896
Prepaid Expenses	200	200
Total Current Assets	94,210	89,488
Property, Plant, and Equipment		
Property, Plant and Equipment, Net	142,792	159,210
Total Property, Plant, and Equipment	142,792	159,210
Total Assets	237,002	248,698
Liabilities		
Current Liabilities (Payable From Current Assets):		
Accounts Payable	3,406	3,622
Total Current Liabilities (Payable From Current Assets)	3,406	3,622
Total Liabilities	3,406	3,622
Net Position		
Net Investment in Capital Assets	142,792	159,210
Unrestricted	90,804	85,866
Total Net Position	\$ 233,596	\$ 245,076

See independent auditor's report.

Schedule 5

Village of Angie
Schedule of Revenues, Expenses, and Changes in Net Position
Proprietary Fund Type
For the year ended December 31, 2019
(with 2018 summarized comparative information)

	Enterprise Funds	
	2019	2018
Operating Revenues		
Water Sales	\$ 38,413	\$ 30,937
Sanitation Billings	17,295	16,233
Other	6,300	140
Total Operating Revenues	<u>62,008</u>	<u>47,310</u>
Operating Expenses		
Bad Debts	1,815	2,175
Depreciation	16,418	16,418
Repairs and Maintenance	8,241	5,470
Salaries and Wages	-	-
Sanitation	15,658	16,611
Supplies	6,541	9,591
Utilities	6,100	7,051
Other	1,915	1,378
Total Operating Expenses	<u>56,688</u>	<u>58,694</u>
Operating Income (Loss)	<u>5,320</u>	<u>(11,384)</u>
Nonoperating Revenues (Expenses)		
Interest Income	400	302
Total Nonoperating Revenues (Expenses)	<u>400</u>	<u>302</u>
Income (Loss) Before Transfers	<u>5,720</u>	<u>(11,082)</u>
Transfers		
Operating Transfers In	-	-
Operating Transfers Out	(17,200)	(9,000)
Change in Net Position	(11,480)	(20,082)
Total Net Position, Beginning	<u>245,076</u>	<u>265,158</u>
Total Net Position, Ending	<u>\$ 233,596</u>	<u>\$ 245,076</u>

See independent auditor's report.

Village of Angie
Schedule of Cash Flows
Proprietary Fund Type
For the year ended December 31, 2019
(with 2018 summarized comparative information)

	Enterprise Funds	
	2019	2018
Cash Flows From Operating Activities		
Received From Customers	\$ 54,184	\$ 49,520
Other Receipts	6,300	140
Received for (Payments) for Interfund Services	134	146
Payments for Operations	(40,486)	(48,394)
Payments to Employees	-	-
Net Cash Provided (Used) by Operating Activities	<u>20,132</u>	<u>1,412</u>
Cash Flows From Noncapital Financing Activities		
Transfers From (To) Other Funds	(17,200)	(9,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(17,200)</u>	<u>(9,000)</u>
Cash Flows From Capital and Related Financing Activities		
Capital Contributions Received	-	-
(Payments for) Capital Acquisitions	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>
Cash Flows From Investing Activities		
Receipt of Interest	400	302
Net Cash Provided by Investing Activities	<u>400</u>	<u>302</u>
Net Cash Increase (Decrease) in Cash and Cash Equivalents	3,332	(7,286)
Cash and Cash Equivalents, Beginning of Year	16,577	23,863
Cash and Cash Equivalents, End of Year	<u>\$ 19,909</u>	<u>\$ 16,577</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:		
Cash and Cash Equivalents, Unrestricted	\$ 19,909	\$ 16,577
Cash and Cash Equivalents, Restricted	-	-
Total Cash and Cash Equivalents	<u>\$ 19,909</u>	<u>\$ 16,577</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ 5,320	\$ (11,384)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	16,418	16,418
(Increase) decrease in Accounts Receivable	(1,524)	2,350
(Increase) decrease in Prepaid Insurance	-	-
(Increase) decrease in Due (to) and from Other Funds	134	146
Increase (decrease) in Accounts Payable	(216)	(6,118)
Increase (decrease) in Accrued Expenses	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 20,132</u>	<u>\$ 1,412</u>

See independent auditor's report.

Schedule 7

Village of Angie
Schedule of Revenues, Expenses and Changes in Net Position
Budget (GAAP Basis) and Actual, Proprietary Fund Type
For the year ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Operating Revenues			
Water Sales	\$ 52,000	\$ 38,413	\$ (13,587)
Sanitation Billings	-	17,295	17,295
Other	-	6,300	6,300
Total Operating Revenues	<u>52,000</u>	<u>62,008</u>	<u>10,008</u>
Operating Expenses			
Bad Debts	-	1,815	(1,815)
Depreciation	18,500	16,418	2,082
Repairs and Maintenance	9,100	8,241	859
Salaries and Wages	-	-	-
Sanitation	19,000	15,658	3,342
Supplies	8,000	6,541	1,459
Utilities	6,000	6,100	(100)
Other	13,405	1,915	11,490
Total Operating Expenses	<u>74,005</u>	<u>56,688</u>	<u>17,317</u>
Operating Income (Loss)	<u>(22,005)</u>	<u>5,320</u>	<u>27,325</u>
Nonoperating Revenues (Expenses)			
Interest	390	400	10
Total Nonoperating Revenues (Expenses)	<u>390</u>	<u>400</u>	<u>10</u>
Income (Loss) Before Transfers	<u>(21,615)</u>	<u>5,720</u>	<u>27,335</u>
Transfers			
Operating Transfers In	-	-	-
Operating Transfers Out	(17,200)	(17,200)	-
Change in Net Position	<u>(38,815)</u>	<u>(11,480)</u>	<u>27,335</u>
Total Net Position, Beginning	<u>245,076</u>	<u>245,076</u>	<u>-</u>
Total Net Position, Ending	<u>\$ 206,261</u>	<u>\$ 233,596</u>	<u>\$ 27,335</u>

See independent auditor's report.

Schedule 8

**Village of Angie
Schedule of Compensation Paid to Board Members
For the year ended December 31, 2019**

<u>Name and Title / Contact Number</u>	<u>Address</u>	<u>Compensation Received</u>
Gilbert Ball, Alderman (985) 986-2444	P.O. Box 152 Angie, LA 70426	\$ 2,700
Darryl Knight, Alderman (985) 986-2444	30308 Military Road Angie, LA 70426	2,700
Roxie Fornea, Alderman (985) 986-2444	30082 East Street Angie, LA 70426	2,700
		<u>\$ 8,100</u>

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

The Board of Aldermen of the Village consists of three members elected by the registered voters of the Village.

See independent auditor's report.

Schedule 9

**Village of Angie
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the year ended December 31, 2019**

Agency Head Name: John Dawsey, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 12,000
Employer Paid Medicare & Social Security	918
Travel	828
Hotel	-
Special Meals	26
Special Meetings	300
	<u>\$ 14,072</u>

See independent auditor's report.

Schedule of Findings and Responses
For the Year Ended December 31, 2019

Section I Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified [X] Qualified []
Disclaimer [] Adverse []

Internal control over financial reporting:

Material Weakness(es) identified? [X] Yes [] No
Significant Deficiency(ies) identified? [X] Yes [] No

Noncompliance material to the financial statements noted? [X] Yes [] No

Federal Awards - NA

Internal control over major federal Programs:

Material Weakness(es) identified? [] Yes [] No
Significant Deficiency(ies) identified? [] Yes [] No

Type of auditor's report issued on compliance for major federal programs:

Unmodified [] Qualified []
Disclaimer [] Adverse []

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?
[] Yes [] No

Identification of major federal programs:

Table with 2 columns: CFDA Number(s), Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B programs: \$ _____

Auditee qualified as low risk auditee? [] Yes [] No

**Schedule of Findings and Responses
For the Year Ended December 31, 2019**

Section II Financial Statement Findings

Finding Number: 2019-C1 Local Government Budget Act (noncompliance)

Criteria: LRS 39:1305 requires a comprehensive budget be prepared for each fiscal year for the general fund and each special revenue fund by the chief executive or administrative officer or equivalent. The budget document must include a budget message and a statement. The budget must include a budget message signed by the budget preparer which should include a summary description of the proposed financial plan, policies, and objective, assumptions, budgetary basis, and a discussion of the most important features. LRS 39:1310 requires amending the budget when the governing authority has received written notification pursuant to R.S. 39:1311 (when total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more; when total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more; or when actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures), or there has been a change in operations upon which the original budget was adopted. In relation to budget amendments, it is noted that it is the opinion of the Legislative Auditor that, when viewing the requirements of the Local Government Budget Act as a whole and the role of budget amendments within the budgeting process of political subdivisions, a budget amendment is required whenever there is a 5% variance in revenue or expenditures, even in those circumstances when the proposed revenue and expenditures in the general fund or special revenue fund are under \$500,000. Only the written notification requirements are exempted in cases of special revenue and general funds with anticipated expenditures of less than \$500,000.

Condition: In December 2018, the Village adopted a budget for the year ending December 2019 for the General Fund, Sales Tax Fund, Cemetery Fund, and Utility Fund. The adopted budgets are not in compliance with the required format and the Cemetery Fund is not reported as a separate fund. It is included in the General Fund as restricted cash. During 2019, the Village also received grant revenue and incurred related grant expenditures for street repairs. The Village amended their 2019 budget in June 2019 to account for the grant revenue and expenditures; however, the final 2019 amended budget for the General Fund adopted in December 2019, did not include the grant revenue and grant expenditures. The grant revenue and expenditures were included in a Capital Projects Fund, but were accounted for and reported in the General Fund as street repairs. The General Fund total actual expenditures and other uses plus projected expenditures and other uses exceeded the total budgeted expenditures and other uses by five percent or more.

Cause: The final 2019 adopted budget for the General Fund did not include the grant revenue and grant expenditures. The Village amended the budget to include a Capital Projects Fund and account for the grant revenue and grant expenditures. However, the grant revenue and grant expenditures were included and reported in the General Fund. Had the General Fund included the grant revenue and grant expenditures, the Village would have been in compliance with the budget act as it relates to actual expenditures being within 5% variance of the proposed expenditures.

Effect: Apparent noncompliance with the above referenced statutes.

Recommendation: The Village should prepare, submit and approve a comprehensive budget in accordance with the referenced statutes, including the budget message. The Village should monitor the budget and also ensure that the budget is amended in accordance with the referenced statutes and line items are properly stated. A review of the final fund accounting to the final budget to ensure proper reporting should be done.

**Schedule of Findings and Responses
For the Year Ended December 31, 2019**

Management's Response: In the future, the Village will comply with all the requirements of the Local Budget Act.

Contact Person:

Roxie Fornea, Mayor
64474 Market Street
Angie, LA 70426
(985) 986-2444

Finding Number: 2019-C2 Traffic Citations (noncompliance)

Criteria: Louisiana Revised Statute 32:393C(1)(b) requires that records of all (paid and unpaid) traffic violations, except parking violations, be reported to the Department of Safety and Corrections not later than 30 days after the date of the person's conviction and sentencing or the final disposition of the case.

Condition: During the Village's 2019 audit the following issues were identified:

- Instances of payment amounts lower than the fine amount per the docket without documentation of the reduction.
- records of issued citations have not been reported to the Department of Safety and Corrections.

Cause: The Village did not have written policies and procedures on traffic citation issuance, processing and disposition and did not enforce procedures outlined in the above referenced statutes.

Effect: Noncompliance with the above referenced statutes.

Recommendation: The Village's Chief of Police and Mayor should develop written procedures for traffic citations in accordance with state statutes and monitor compliance with these procedures. The Village should review resources on the Louisiana Legislative Auditor's website concerning Traffic Citations and contact the Louisiana Municipal Association for additional guidance.

Management's Response: The Village's officials will meet with legal counsel and review the Louisiana Revised Statutes and best practices for traffic tickets from the Louisiana Legislative Auditor and develop necessary policies and procedures to become compliant.

Contact Person:

Roxie Fornea, Mayor
64474 Market Street
Angie, LA 70426
(985) 986-2444

Finding Number: 2019-C3 On-Behalf Payments (noncompliance)

Criteria: Statement No. 24 of the Governmental Accounting Standards Board (GASB) addresses the accounting treatment of on-behalf payments for fringe benefits and salaries. On-behalf payments for fringe benefits and salaries are direct payments made by one entity (the paying entity) to a third-party recipient for the employees of another, legally separate entity (the employer entity). They include payments made by governmental entities on behalf of governmental entities. This statement requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

**Schedule of Findings and Responses
For the Year Ended December 31, 2019**

Condition: During the Village's 2019 audit, we found that the Police Chief's supplemental pay was not included in revenue or expenditures, nor was appropriate payroll taxes paid.

Cause: Administration and Police Chief were not aware of the financial and payroll tax reporting which is required by the Village for Supplemental Pay.

Effect: Inaccurate financial reporting

Recommendation: The Village shall include the supplemental pay in revenue and expenditures in the financial statements and annual budget. Also, the Village shall report in income and withhold the appropriate payroll taxes related to the supplemental pay.

Management's Response: We have corrected this as of May 2020 payroll and will continue as required.

Contact Person:

Roxie Fornea, Mayor
64474 Market Street
Angie, LA 70426
(985) 986-2444

Finding Number: 2019-C4 Uncollected Ad Valorem Taxes (noncompliance)

Criteria: Effective Village operations and an effective internal control system require the design and operation of standardized procedures for optimization and collection of major revenue sources and assurance that related financial data is accurate and complete and the Village's assets are safeguarded.

Condition: The Village lacks written policies and procedures and a complete standardized process for ad valorem tax collections. The Village lacks adequate procedures and controls to identify past due amounts and properly conduct a tax sale. The Village adjusts ad valorem receivable to amount remaining uncollected for the current year. There is no formal policy or process for unpaid property taxes.

Cause: There is a lack of complete standardized procedures and a lack of properly designed and operating internal controls over ad valorem tax collection, likely resulting from segregation of duties due to the small entity size, the immateriality of many of the assessments, and an adequate understanding of the process.

Effect: Failure to design and follow effective standardized procedures for collection of ad valorem taxes and failure to design and operate effective internal controls over the related transactions exposes the Village to several risks, including, but not limited to, misappropriation of assets and inaccurate or fraudulent financial reporting. As a result, a material misstatement in the Village's financial statements may not be prevented or detected.

Recommendation: The Village should contact LaMATS through the Louisiana Municipal Association to obtain proposals to facilitate the collection of delinquent ad valorem taxes and help navigate the tax sale process.

Management's Response: We will contact the Louisiana Municipal Association and receive proposals for this and/or improve our ad valorem tax system.

**Schedule of Findings and Responses
For the Year Ended December 31, 2019**

Contact Person:

Roxie Fornea, Mayor
64474 Market Street
Angie, LA 70426
(985) 986-2444

Finding Number: 2019-C5 Ethics (noncompliance)

Criteria: LRS 42:1112 prohibits public employees from participating in certain transactions involving the governmental entity.

Condition: Originally, a Village employee was engaged as an independent contractor to provide water maintenance services to the Village. The Village is required to have a certified system operator with certain certificates and qualifications to operate the Village's water system. He was later hired as an employee of the Village, and his salary set by the board. His current monthly salary amount is \$300. There are no written job duties related to this salary, only a verbal understanding. The verbal understanding is to maintain the water system and ensure compliance with the required agencies. The job duties include, but are not limited to, daily water checks, logging samples, and making adjustments to the Village's water as necessary for compliance.

This employee is also paid for hourly outside services, in addition to his \$300 per month salary, as an independent contractor for Village maintenance. He completes and turns in timesheets and receives other payments for these additional services. There are no written job duties related to this hourly compensation, nor is it reported on his W-2 or payroll taxes withheld.

Cause: The Village pays him a monthly salary to maintain the Village's water system and keep it in compliance. Maintaining a water system requires certain certificates and qualifications of which he has. The Village also hires him as an independent contractor to provide additional maintenance for the Village at an hourly rate, in addition to his water maintenance salary. These additional payments are not reported on an IRS Form 1099 or as W-2 wages with payroll taxes withheld. The Village may be prohibited by state law from having an employee and independent contractor relationship with the same person. The IRS rules should also be researched for prohibitions of these dual type of relationships.

All of the employees and board members of the Village have completed the one- hour required annual ethics course.

Effect: Apparent noncompliance with the above-referenced statute.

Recommendation: The Village needs to have a written understanding of job duties for all employees. In addition, the Village should put this employee on payroll for all time worked and withhold the appropriate payroll taxes. This will ensure all income is reported correctly to the employee as well as payroll taxes. The Village management needs to review ethics statutes and understand what constitutes prohibited transactions related to employees.

Management's Response: With the help of our outside CPA, the employee's compensation for 2020 has been reported on a W-2 and payroll taxes withheld. As of the report date, the Village is in compliance with the above-referenced statute. We will also have our outside CPA help implement written policies and procedures for payroll and written job descriptions.

**Schedule of Findings and Responses
For the Year Ended December 31, 2019**

Contact Person:

Roxie Fornea, Mayor
64474 Market Street
Angie, LA 70426
(985) 986-2444

Finding Number: 2019-C6 Payroll (noncompliance)

Criteria: All disbursements to board or employees should be reported as wages, including special meetings.

Condition: For the year ending December 2019, the Village had three special meetings in which checks were directly written to board members, mayor and clerk. The expenditures were reported within the financial statements; however, they were not included in wages, nor were payroll taxes withheld and reported on quarterly/annual reports. The amount totaled \$1,500 for special meetings checks.

Cause: These checks were not run through the payroll function in Quickbooks software and the proper amounts withheld for payroll taxes.

Effect: Improper reporting of wages and payroll taxes and related payroll reports for 2019.

Recommendation: The Village should run all payroll through the payroll function of Quickbooks software.

Management's Response: We will have all board, Mayor and employee checks subject to proper payroll reporting and seek help from our outside CPA where appropriate.

Contact Person:

Roxie Fornea, Mayor
64474 Market Street
Angie, LA 70426
(985) 986-2444

Finding Number: 2019-I1 Inadequate Segregation of Duties (Significant Deficiency)

Criteria: Proper segregation of incompatible duties requires that there be different individuals responsible for authorizing transactions, recording transactions and maintaining custody of related assets.

Condition: Village of Angie has only seven employees, all of which are part-time. Within those seven part-time employees, only one is considered an administration employee, the Village clerk. Consequently, most duties throughout the financial reporting process, which are considered incompatible, are being performed by the same individual. The Village engages an outside CPA monthly for financial and budgetary reporting.

Cause: Due to the size and nature of the Village, there are few administrative employees and as such, leads to inadequate segregation of duties.

Effect: Inadequate segregation of duties exposes the Village to several risks, including, but not limited to misappropriation of assets and inaccurate or fraudulent financial reporting.

**Schedule of Findings and Responses
For the Year Ended December 31, 2019**

Recommendation: The Village should continue to explore ways to segregate incompatible duties possibly through the use of other personnel or staff, Board members, and use of the Village's outside CPA, as appropriate.

Management's Response: While we have taken steps to mitigate the risks arising from incompatible duties, we will continue to explore additional avenues for segregating duties.

Contact Person:

Roxie Fornea, Mayor
64474 Market Street
Angie, LA 70426
(985) 986-2444

Finding Number: 2019-I2 Credit Cards (Material Weakness)

Criteria: When processing payments of credit cards, supporting documentation should be attached (original receipt or invoice) with the statement. Documentation of each charge should include the business/public purpose.

Condition: Our credit card testing revealed, the Village does not maintain receipts attached to the credit card statement. All expenditures are approved before purchased; however, the invoices/receipts/support are not matched to respective credit card statement and attached.

Cause: Unknown

Effect: The potential for misappropriation of assets. Without proper documentation to support each credit card charge the potential for fraud, waste and abuse could occur.

Recommendation: The Village needs to put in place written policies and procedures related to credit cards and how they are allowed to be controlled, used, documented, approved, and monitored. The Village should also review resources on the Louisiana Legislative Auditor's website to include, but not be limited to best practices over credit cards.

Management's Response: The Village will put into place written policies and procedures. These policies and procedures will address the credit cards and how they are to be controlled, used, documented, approved and monitored.

Contact Person:

Roxie Fornea, Mayor
64474 Market Street
Angie, LA 70426
(985) 986-2444

**Schedule of Findings and Responses
For the Year Ended December 31, 2019**

Finding Number: 2019-I3 Utility Fund Accounts Receivable, Billing and Customer Deposits (Material Weakness)

Criteria: Accounts receivable balance in the general ledger should be reconciled monthly with the detailed accounts receivable customer listings. The utility customer records in the billing system should reflect the deposit the customer paid. Records should include the date paid, for what services, and the amount paid.

Condition: The accounts receivable balance in the general ledger is not reconciled monthly with the detailed accounts receivable. There is not a complete listing of customer deposits in the Village's utility billing system. The Village does not have a complete and accurate customer liability report in its utility billing system.

Adjustments to customer billings or accounts are approved by the Mayor, but details of adjustments are often lacking.

Cause: The small entity size, lack of complete standardized procedures, and lack of properly designed and operating internal controls over some aspects of utility billings and collections, likely resulting from a lack of adequate understanding of the utility billing system and transactions and segregation of duties. The Village also has no written policies and procedures. The clerk performs a variety of duties that are incompatible for a proper system of checks and balances including, but not limited to, meter readings, inputting meter readings into the utility billing system, prepares the customers' bills, collects payments and customer meter deposits, posts payments in the utility billing system, inputs customer billing adjustments, and prepares bank deposit. Also, locating customer deposit information on its current utility customers is requiring looking up deposit information at the time the utility account was opened.

Effect: Failure to design and follow effective standardized procedures for operation of a utility billing system and failure to design and operate effective internal controls over the transactions related to the system exposes the Village to several risks, including, but not limited to, misappropriation of assets and inaccurate or fraudulent financial reporting. As a result, material misstatement in the Village's financial statements may not be prevented or detected. Also, utility customers who have services disconnected and are seeking customer refunds will possibly not have current or accurate information in the utility billing system. Employees looking for this information may under or over pay customer deposits when utility accounts are closed or cut off.

Recommendation: The Village should implement written policies and procedures and must continue to seek help in better understanding the utility billing system software. The Village should ensure that its employees obtain a full understanding of the transactions surrounding utility billing and collections. Finally, these specific recommendations are made:

- All customer billing and account adjustments should be fully documented and approved and supporting documentation retained. Additionally, all customer billing and account adjustments must be entered into the utility billing system and an adjustments report should be run from the utility billing system for presentation to the Board and approval by the Board.
- Customer deposit listing should be compiled from supporting documentation as soon as possible and entered into the billing software. Once listing is complete and entered into the billing software, the utility billing system should then be used to record and continuously monitor the customer deposit listing.
- The Village should work with and provide its outside CPA the information and reports to help reconcile monthly the detailed accounts receivable with the detailed accounts receivable customer listing.

**Schedule of Findings and Responses
For the Year Ended December 31, 2019**

Management's Response: We will work with our outside CPA to implement the recommendations and strengthen the controls of our utility billing system.

Contact Person:
Roxie Fornea, Mayor
64474 Market Street
Angie, LA 70426
(985) 986-2444

Section III Federal Award Findings and Questioned Costs

None.

**Schedule of Prior Year Findings and Responses
For the Year Ended December 31, 2019**

Financial Statement Findings

Finding Number: 2018-C1 Local Government Budget Act (Noncompliance)

Year Initial Finding Occurred: Fiscal Year 2016

Criteria: LRS 39:1305 requires a comprehensive budget be prepared for each fiscal year for the general fund and each special revenue fund by the chief executive or administrative officer or equivalent. The budget document must include a budget message and a statement. LRS 39:1310 requires amending the budget when the governing authority has received written notification pursuant to R.S. 39:1311 (when total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more; when total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more; or when actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures), or there has been a change in operations upon which the original budget was adopted. In relation to budget amendment, it is noted that it is the opinion of the Legislative Auditor that, when viewing the requirements of the Local Government Budget Act as a whole and the role of budget amendments within the budgeting process of political subdivisions, a budget amendment is required whenever there is a 5% variance in revenue or expenditures, even in those circumstances when the proposed revenue and expenditures in the general fund or special revenue fund are under \$500,000. Only the written notification requirements are exempted in cases of special revenue and general funds with anticipated expenditures of less than \$500,000.

Condition: For the year ending December 31, 2019, the Village adopted a budget for the General Fund and Sales Tax Fund (special revenue fund) and amended the budget during the year. While the Village was exempt from written notification, the General Fund and the Sale Tax Fund were amended, but had unfavorable variances above 5% at year end.

Cause: The Village amended the budget for the General Fund, but a simple typo in the final budget missed a zero in a number and created the unfavorable variance. The Village amended the Sale Tax Fund budget, but failed to account for the additional construction costs of its new Village Hall and street repairs.

Effect: Apparent noncompliance with the above referenced statutes.

Recommendation: The Village should prepare, submit and approve a comprehensive budget in accordance with the referenced statutes. The budget should also ensure that the budget is amended in accordance with the referenced statutes.

Management's Response In the future, the Village will comply with all the requirements of the Local Budget Act and closely monitor for other non-recurring expenditures.

Current Year Status: Repeated as part of finding 2019-C1.

Schedule of Prior Year Findings and Responses
For the Year Ended December 31, 2019

Finding Number: 2018-C2 Review Filing Requirement (Noncompliance)

Criteria: Village of Angie is subject to audit requirements as defined in Revised Statutes 24:513(A) for filing financial reports. The Village is required to provide a review/attestation report for the current year. The general deadline for filing is six months after the end of the entity's fiscal year, but may be extended per Legislative Auditor approval.

Condition: The Village did not file its review/attestation report by the statutory deadline of June 30, 2019 but was granted an extension until September 3, 2019.

Cause: Health issues with the Village's outside CPA who compiles the annual financial statements as well as provides monthly accounting services and assistance.

Effect: The Village was not in compliance with the above referenced statute.

Recommendation: The Village should ensure that sufficient time is available to complete procedures required in accordance with *Government Auditing Standards* and issue the report by the statutory deadline.

Management's Response: The Village will monitor filing deadlines and comply with filing requirements.

Current Year Status: Resolved.

Federal Award Findings and Questioned Costs

None.

This schedule was prepared by management.

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

To the Honorable Mayor John Dawsey
and Board of Aldermen
Village of Angie, 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, each major fund, and the aggregate remaining fund information of the Village of Angie, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village of Angie's basic financial statements and have issued our report thereon dated January 25, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Angie's internal control over financial reporting (internal control) to determine the 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 Angie's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Angie's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as finding 2019-I2 and finding 2019-I3 to be material weaknesses.

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. We consider the

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deficiencies described in the accompanying schedule of findings and responses as finding 2019-I1 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Angie'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 determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as findings 2019-C1, 2019-C2, 2019-C3, 2019-C4, 2019-C5, and 2019-C6.

Village of Angie's Response to Findings

Village of Angie's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Village of Angie's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
Kentwood, LA

January 25, 2021

Village of Angie
Angie, Louisiana

Statewide Agreed-Upon Procedures

As of and for the Year Ended December 31, 2019



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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Honorable Mayor John Dawsey
and Board of Aldermen
Village of Angie
Angie, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Village of Angie (Entity) and the 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 January 01, 2019 through December 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUP's.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

Exception: The Village did not have any written policy and procedures.

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

Exception: The Village did not have any written policy and procedures.

- c) **Disbursements**, including processing, reviewing, and approving
Exception: The Village did not have any written policy and procedures.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Exception: The Village did not have any written policy and procedures.
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
Exception: The Village did not have any written policy and procedures.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
Exception: The Village did not have any written policy and procedures.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
Exception: The Village did not have any written policy and procedures.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
Exception: The Village did not have any written policy and procedures.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
Exception: The Village did not have any written policy and procedures.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Exception: The Village did not have any written policy and procedures.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
Exception: The Village did not have any written policy and procedures.

**Management's Response to all written policies and procedures exception: We will write, adopt and implement policy and procedures.*

Board or Finance Committee

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:
- 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.

No exception.

- 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. *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.*

Exception. The minutes did not reference or include 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. However, the Board is provided this information from the outside certified public accountant monthly.

**Management's Response: We will include this information moving forward in the minutes.*

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

Exception.

**Management's Response: We will develop a formal plan to eliminate the negative unassigned balance in the general fund and include it in the minutes going forward.*

Bank Reconciliations

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:
- 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);

No exception.

- 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

Exception

- 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.

Exception

**Management's Response to all Bank Reconciliation exceptions: We will evidence that a member of management/board member reviews each bank reconciliation and also document items outstanding for more than 12 months from the statement closing date when applicable.*

Collections (excluding EFTs)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained listing and management's representation. No exception.

- 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:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

No exception.

- 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.

Exception.

**Management's Response: We will continue to find ways to segregate duties where and when possible due to its small size.*

- 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.

No exception.

- 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.

No exception.

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

No exception.

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 a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
No exception.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exception.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
No exception.
 - 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).
Exception.
**Management’s Response: We will make deposits within one business day of receipt of collection.*
 - e) Trace the actual deposit per the bank statement to the general ledger.
No exception.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

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).
Obtained listing and management’s representation.
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.
No exception.
 - b) At least two employees are involved in processing and approving payments to vendors.
No exception
 - 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.

No exception.

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

Exception.

**Management's Response: We will have an employee who is not responsible for processing payments to mail payments where and when possible due to its small size.*

- 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:

- a) Observe that the disbursement matched the related original invoice/billing statement.

Exception.

**Management's Response: We will organize and maintain records to include all related original invoice/billing statements for expenditures.*

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Exception.

**Management's Response: We will seek segregation of duties when and where we can.*

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 11. 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.

Obtained listing and management's representation.

- 12. 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:

- 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 (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

Exception

**Management's Response: We will include evidence that the monthly statement or combined statements and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.*

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

No exception.

13. 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). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Exception.

**Management’s Response: We will attach receipts and supporting documentation to monthly credit card statements and include written purpose of expenditure and where applicable, individuals participating in meals (for meal charges only). The Village will address missing receipts and supporting documentation to include but not limited to an adequate “missing receipt statement” and approval.*

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

14. 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:

- 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).

No exception.

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

No exception.

- 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).

No exception.

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

Exception.

**Management's Response: We will have management review and approve reimbursements in writing, by someone other than the person receiving reimbursement.*

Contracts

15. 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:

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.

No exception.

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).

No exception.

c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

No exception.

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.

No exception.

Payroll and Personnel

16. 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.

Obtained listing and management's representation.

17. 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:

a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

No exception.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Exception.

Management's Response: We will have supervisors approve attendance and leave.

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

No exception.

- 18. 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' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

No exception.

- 19. 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.

No exception.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exception.

- 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.

No exception.

Debt Service

- 21. 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.

No exception. No debt.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exception. No debt.

Other

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 exception.

24. 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.

Exception.

**Management's Response: We will ensure we have it posted on our premise at all times and update our website to include the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on 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.

The purpose of this report is 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.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
Kentwood, Louisiana

January 25, 2021