

VILLAGE OF SIMSBORO
SIMSBORO, LOUISIANA

Financial Report
For the Year Ended June 30, 2023



MAXWELL CPA, LLC, *Certified Public Accountant*, Sterlington, Louisiana

VILLAGE OF SIMSBORO
SIMSBORO, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2023

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SIMSBORO, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Sybil Foster, Mayor
And Members of the Board of Alderman
Village of Simsboro, Louisiana

Report on the Audit of the Financial Statements

Opinions

I 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 Simsboro, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In my 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 aggregate remaining fund information of the Village as of June 30, 2023, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Village and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

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



To the Honorable Sybil Foster, Mayor
And Members of the Board of Alderman
Village of Simsboro, Louisiana
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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of net pension liability, and the schedule of employer's pension contribution on pages 4 through 9 and 40 through 44, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context.

To the Honorable Sybil Foster, Mayor
And Members of the Board of Alderman
Village of Simsboro, Louisiana
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I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, Schedule of Compensation Paid to Alderman, Schedule of Compensation, Benefits and Other Payments to Agency Head, and the Justice System Funding Schedule - Collecting/Disbursing Entity, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements, Schedule of Compensation Paid to Alderman, Schedule of Compensation, Benefits and Other Payments to Agency Head, and Justice System Funding Entity - Collecting/Disbursing Entity, are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated October 20, 2023, on my consideration of the Village's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Maxwell CPA, LLC

Sterlington, Louisiana
October 20, 2023

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

Village of Simsboro

Management's Discussion and Analysis Year Ended June 30, 2023

Management's Discussion and Analysis (MD&A)

Our discussion and analysis of the Village of Simsboro, Louisiana's financial performance provides an overview of the Village's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Village's financial statements, which begin on page 10.

Financial Highlights

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by approximately \$3.37 million.
- During the year, the revenues of the Village's governmental activities exceeded its expenses by approximately \$45,000. Last year, revenues exceeded expenses by approximately \$273,000.
- The Village's revenues for the year were approximately \$1 million, which is higher than the prior year revenues of \$775,000.
- The total cost of all the Village's programs was approximately \$770,000 for the current year, an increase over prior year costs of \$489,000.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 10-11) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Reporting the Village as a Whole

Our analysis of the Village as a whole begins on page 10. One of the most important questions asked about the Village's finances is, "Is the Village as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. The statement includes *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Village's *net position* and changes in them. You can think of the Village's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources – as one way to measure the Village's financial health, or *financial position*.

Over time, *increases or decreases* in the Village's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Village's property tax base and the condition of the Village's infrastructure, to assess the *overall health* of the Village.

In the Statement of Net Position and Statement of Activities, we divide the Village into two kinds of activities.

- Governmental activities – Most of the Village’s basic services are reported here, including the police, parks and recreation, sanitation and health, economic development, and general administration. Property taxes, sales taxes, franchise fees, and state and federal grants finance most of these activities.
- Business-type activities – The Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village’s water and sewer systems are reported here.

Reporting the Village’s Most Significant Funds

Our analysis of the Village’s major funds begins on page 12. The fund financial statements provide detailed information about the most significant funds, not the Village as a whole. Some funds are required to be established by state law and by bond covenants. The Village’s two kinds of funds – *governmental* and *proprietary* use different accounting approaches.

- *Governmental funds* – Most of the Village’s basic services are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end that are non-spendable, restricted, committed, assigned or unassigned. These classifications of fund balance show the nature and extent of constraints placed on the Village’s annually adopted budget. Unassigned fund balance is available for spending for any purpose. These funds are reported using an accounting method called *modified accrual* 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 provided. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village’s programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and Statement of Activities) and governmental *funds* in a reconciliation following the fund financial statements.
- *Proprietary Funds* – When the Village charges customers for the services it provides - whether to outside customers or to other units of the Village – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Village’s enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statement but provide more detail and additional information, such as cash flows, for proprietary funds.

The Village As A Whole

The Village’s *combined* net position increased by approximately \$240,000. In contrast, last year’s net position increased by approximately \$231,000. Looking at net position and net expenses of governmental and business-type activities separately, however, provides more detail. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Village’s governmental and business-type activities.

(Table 1)
Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current And Other Assets	\$ 957,602	\$849,593	\$ 653,617	\$ 507,124	\$1,611,219	\$1,356,717
Capital Assets	164,009	145,719	2,205,862	1,842,715	2,369,871	1,988,434
Total Assets	1,121,611	995,312	2,859,479	2,349,839	3,981,090	3,345,151
Deferred Outflows	11,620	23,241	-	-	11,620	23,241
Other Liabilities	91,332	9,729	208,345	35,307	299,677	45,036
Long-Term Liabilities	-	-	303,823	161,849	303,823	161,849
Total Liabilities	91,332	9,729	512,168	197,156	603,500	206,885
Deferred Inflows	23,982	35,974	-	-	23,982	35,974
Net Position:						
Invested In Capital Assets,						
Net Of Related Debt	164,009	145,719	1,897,726	1,680,866	2,061,735	1,826,585
Restricted	67,305	59,566	35,245	34,111	102,550	93,677
Unrestricted	786,603	767,565	414,340	437,706	1,200,943	1,205,271
Total Net Position	<u>\$1,017,917</u>	<u>\$972,850</u>	<u>\$2,347,311</u>	<u>\$2,152,683</u>	<u>\$3,365,228</u>	<u>\$3,125,533</u>

The largest portion of the Village of Simsboro's net position totaling approximately \$2.1 million reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The Village of Simsboro uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the Village of Simsboro's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental Activities – Net Position

Net position for the governmental activities increased by approximately \$45,000. The restricted net position of the governmental activities represents the portion of net position that is not available to finance the day-to-day operations. The use of restricted assets is subject to the constraints established by a voter-approved Village ordinance. Restricted net position increased by \$7,739 to a total of \$67,305, which is available to finance economic development and tourism activities.

Business-type Activities – Net Position

Net position for the business type activities increased by approximately \$200,000. The increase was largely due to grant funds used to purchase a new water well.

Restricted net position of the business-type activities is \$35,245, which is available to pay for debt of the sewer system.

(Table 2)
Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
Revenues	2023	2022	2023	2022	2023	2022
Program Revenues:						
Charges For Services	\$ 73,747	\$ 63,866	\$ 322,670	\$ 243,345	\$ 396,417	\$ 307,211
Operating Grants/ Contributions	173,721	192,681	-	6,817	173,721	199,498
General Revenues:						
Property Taxes	18,625	20,544	-	-	18,625	20,544
Sales Taxes	122,583	114,287	-	-	122,583	114,287
Franchise, Ins Premium Taxes	69,313	73,552	-	-	69,313	73,552
Interest Earnings	1,014	386	1,894	905	2,908	1,291
Other General Revenues	10,946	3,721	-	-	10,946	3,721
Total Revenues	469,949	469,037	324,564	251,067	794,513	720,104
Program Expenses						
General Government	191,170	159,894	-	-	191,170	159,894
Public Safety	35,643	21,888	-	-	35,643	21,888
Water & Sewer	-	-	544,646	307,460	544,646	307,460
Total Expenses	226,813	181,782	544,646	307,460	771,459	489,242
Excess (Deficiency) Before Transfers:	243,136	287,255	(220,082)	(56,393)	23,054	230,862
Transfers Out	(198,069)	(14,621)	198,069	14,621	-	-
Insurance Proceeds	-	-	216,641	-	216,641	-
Change In Net Position	45,067	272,634	194,628	(41,772)	239,695	230,862
Net Position, Beg.	972,850	700,216	2,152,683	2,194,455	3,125,533	2,894,671
Net Position, End Of Year	<u>\$ 1,017,917</u>	<u>\$ 972,850</u>	<u>\$ 2,347,311</u>	<u>\$ 2,152,683</u>	<u>\$ 3,365,228</u>	<u>\$ 3,125,533</u>

Our analysis that follows separately considers the operations of governmental and business-type activities.

Governmental activities

The total revenues for governmental activities decreased when compared to prior year revenues by approximately \$1,000. A portion of this change is attributed to fluctuations in all revenues collected by the Village. The largest change occurred in the following revenues:

- Operating grants decreased by approximately \$19,000.

Governmental activities expenses increased by approximately \$45,000. The increase is mainly due to an increase in personal costs.

Business-type activities

The Village's total business-type revenues increased by approximately \$73,000. This year, the Village reported \$323,000 in charges for services as opposed to the \$243,000 reported in the prior year.

Total costs to operate the water and sewer system was \$545,000, which was around \$237,000 more than the prior year. This year, the Village incurred additional expenses for maintenance and repairs of the water and sewer system.

The Village's Funds

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

As the Village completed the year, its governmental funds (as presented in the balance sheet on page 12) reported a combined fund balance of \$866,270, decreasing by \$26,406.

Village revenues decreased mainly due to not receiving as many grants this fiscal year, compared to last year. Village expenditures were more this year, increasing by approximately \$45,000. This increase was due to an increase in capital outlay expense and salaries and related expenses for the general government.

Proprietary funds – The Village's proprietary fund statements provide the same type of information as found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the Village Council amended the budget once on May 1, 2023. The amendment to the General fund budget increased revenues overall to be in line with the actual revenue received. The expenditures of the General fund were increased to be in line with actual expenditures for general government administration.

Capital Asset and Debt Administration

At the end of June 30, 2023, the Village had \$2,061,735 invested in capital assets including police equipment, buildings, water, and sewer. This amount represents an increase of \$235,150 in investments in capital assets.

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land and CIP	\$ 50,000	\$ 50,000	\$ 337,227	\$ 40,679	\$ 387,227	\$ 90,679
Building and Improvements	79,012	86,545	-	-	79,012	86,545
Waterworks system	-	-	849,831	722,772	849,831	722,772
Sewer treatment facilities	-	-	1,018,804	1,079,264	1,018,804	1,079,264
Machinery & Equipment	31,797	2,774	-	-	31,797	2,774
Vehicles	3,200	6,400	-	-	3,200	6,400
Totals	\$164,009	\$145,719	\$2,205,862	\$1,842,715	\$2,369,871	\$1,988,434

Debt

At year-end, the Village had \$157,716 in debt in the form of a Rural Development note, as compared to \$161,849 last year. The Village also issued \$150,421 in bonds during the fiscal year.

More detailed information about the Village's long-term liabilities is presented in Note 11 to the financial statements.

Economic Factors and Next Year's Budget and Rates

We have taken a conservative approach to crafting this year's budget. No grants, loans or appreciable differences in revenues is expected this year.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact the Mayor at Town Hall at 2742 Martha Street, Simsboro, Louisiana, 71275.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 730,588	\$ 211,585	\$ 942,173
Investments	97,237	127,677	224,914
Receivables Net	44,209	255,724	299,933
Internal Balances	18,263	(18,263)	-
Restricted Assets-Noncurrent			
Restricted Cash and Cash Equivalents	67,305	66,504	133,809
Inventory	-	10,390	10,390
Capital Assets:			
Land and Construction In Progress	50,000	337,228	387,228
Depreciable Capital Assets, Net	114,009	1,868,634	1,982,643
Total Assets	<u>1,121,611</u>	<u>2,859,479</u>	<u>3,981,090</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows On Pensions	\$ 11,620	\$ -	\$ 11,620
<u>LIABILITIES</u>			
Accounts Payable	\$ 91,332	\$ 174,052	\$ 265,384
Interest Payable	-	559	559
Payable From Restricted Assets:			
Customer Deposits	-	29,421	29,421
Long-term Liabilities:			
Due Within One Year	-	4,313	4,313
Due In More Than One Year	-	153,402	153,402
Net Pension Liability	-	-	-
Bonds Payable	-	150,421	150,421
<u>TOTAL LIABILITIES</u>	<u>91,332</u>	<u>512,168</u>	<u>603,500</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows On Pensions	23,982	-	23,982
<u>NET POSITION</u>			
Net Investment in Capital Assets	164,009	1,897,726	2,061,735
Restricted for:			
Debt Service	-	35,245	35,245
Economic Development and Tourism	67,305	-	67,305
Unrestricted, Unreserved	786,603	414,340	1,200,943
<u>TOTAL NET POSITION</u>	<u>\$ 1,017,917</u>	<u>\$ 2,347,311</u>	<u>\$ 3,365,228</u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Government Activities:				
General and Administrative	\$ 186,310	\$ 65,266	\$ 173,721	\$ -
Public Safety	40,503	8,481	-	-
Total Governmental Activities	<u>226,813</u>	<u>73,747</u>	<u>173,721</u>	<u>-</u>
Business-Type Activities:				
Water and Sewer	544,646	322,670	-	-
<u>Total Government</u>	<u>\$ 771,459</u>	<u>\$ 396,417</u>	<u>\$ 173,721</u>	<u>\$ -</u>

General Revenues:

Taxes:

Property Taxes Levied for General Purposes

Franchise Taxes

Sales Taxes

Insurance Proceeds

Miscellaneous

Transfers In (Out)

Interest earned

Total General Revenues, Special Items and Transfers

Changes in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and
Changes in Net Assets
Primary Government

Governmental Activities	Business-Type Activities	Total
\$ 52,677	\$ -	\$ 52,677
(32,022)	-	(32,022)
<u>20,655</u>	<u>-</u>	<u>20,655</u>
-	(221,976)	(221,976)
20,655	(221,976)	(201,321)
18,625	-	18,625
69,313	-	69,313
122,583	-	122,583
-	216,641	216,641
10,946	-	10,946
(198,069)	198,069	-
1,014	1,894	2,908
<u>24,412</u>	<u>416,604</u>	<u>441,016</u>
45,067	194,628	239,695
<u>972,850</u>	<u>2,152,683</u>	<u>3,125,533</u>
<u>\$ 1,017,917</u>	<u>\$ 2,347,311</u>	<u>\$ 3,365,228</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 418,344	\$ 301,787	\$ 10,457	\$ 730,588
Restricted Cash And Cash Equivalents	67,305	-	-	67,305
Investments	97,237	-	-	97,237
Receivables, Net	44,209	-	-	44,209
Due From Other Funds	18,263	-	-	18,263
<u>TOTAL ASSETS</u>	<u>\$ 645,358</u>	<u>\$ 301,787</u>	<u>\$ 10,457</u>	<u>\$ 957,602</u>
<u>LIABILITIES</u>				
Accounts, Salaries, And Other Payables	\$ 7,011	\$ 84,321	\$ -	\$ 91,332
<u>FUND BALANCES</u>				
Restricted	67,305	217,466	-	284,771
Assigned	-	-	10,457	10,457
Unassigned	571,042	-	-	571,042
Total Fund Balance	<u>638,347</u>	<u>217,466</u>	<u>10,457</u>	<u>866,270</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 645,358</u>	<u>\$ 301,787</u>	<u>\$ 10,457</u>	<u>\$ 957,602</u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET POSITION
JUNE 30, 2023

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

Total Governmental Fund Balances	\$ 866,270
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	164,009
Deferred outflows/inflows related to pensions are not due and payable in the current period and accordingly not recorded in the fund financial statements	
Deferred outflows on pensions	11,620
Deferred inflows on pensions	<u>(23,982)</u>
Net Position of Governmental Activities	<u>\$ 1,017,917</u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	ARPA Fund	Non Major Governmental Funds	Total Governmental Funds
<u>Revenues</u>				
<u>Taxes</u>				
Advalorem	\$ 18,625	\$ -	\$ -	\$ 18,625
Sales and Use	122,583	-	-	122,583
Franchise and Insurance Premiums	69,313	-	-	69,313
Intergovernmental	22,968	150,753	-	173,721
Charges for Services	65,266	-	-	65,266
Fines and Forfeitures	8,481	-	-	8,481
Interest Income	726	277	11	1,014
Miscellaneous	10,946	-	-	10,946
Total Revenues	318,908	151,030	11	469,949
<u>Expenditures</u>				
General Government	176,833	-	-	176,833
Public Safety	36,013	-	-	36,013
Capital Outlay	32,628	-	-	32,628
Total Expenditures	245,474	-	-	245,474
<u>Excess (Deficiency) of Revenues</u>	73,434	151,030	11	224,475
<u>Over Expenditures</u>				
<u>Other Financing Sources (Uses)</u>				
Transfers In	-	-	-	-
Transfer Out	(113,748)	(84,321)	-	(198,069)
Total Other Financing				
Sources (Uses)	(113,748)	(84,321)	-	(198,069)
<u>Net Change in Fund Balance</u>	(40,314)	66,709	11	26,406
<u>Fund Balance - Beginning</u>	678,661	150,757	10,446	839,864
<u>FUND BALANCE - ENDING</u>	\$ 638,347	\$ 217,466	\$ 10,457	\$ 866,270

The accompanying notes are an integral part of this financial statement.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

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

Net Change in Fund Balances - Total		
Governmental Funds	\$	26,406

Government funds report capital outlays as expenditures
while governmental activities report depreciation
expense to allocate those expenditures over the life of
the assets:

Capital Assets Purchased	32,628		
Depreciation Expense	(14,337)		18,291

The recognition of pension expense in the Statement of Activities
is based on projected benefit payments discounted to actuarial
present value and attributed to periods of employee service.
Pension expenditures in the fund financial statements are the
amounts actually paid.

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Change in Net Position in Governmental		
Activities	\$	45,067

The accompanying notes are an integral part of this financial statement.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-Type Activities Enterprise Funds Water & Sewer Fund
<u>ASSETS</u>	
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 211,585
Accounts Receivable, Net	255,724
Investments	127,677
Inventory	10,390
Total Current Assets	605,376
<u>Non-Current Assets</u>	
Restricted Assets:	
Restricted cash and cash equivalents	66,504
Total Restricted Assets	66,504
Capital Assets:	
Land and Construction In Progress	337,228
Plant and Equipment	4,457,620
Less: Accumulated Depreciation	(2,588,986)
Total Capital Assets	2,205,862
<u>TOTAL ASSETS</u>	<u>\$ 2,877,742</u>
<u>LIABILITIES</u>	
<u>Current Liabilities</u>	
Accounts Payable	\$ 174,052
Interest Payable	559
Due To (From) Other Funds	18,263
Payable From Restricted Assets:	
Customer Deposits	29,421
Notes Payable	4,313
Total Current Liabilities	226,608
Noncurrent liabilities :	
Notes Payable	153,402
Bonds Payable	150,421
Total Noncurrent liabilities	303,823
Total Liabilities	530,431
<u>NET POSITION</u>	
Net Investment in Capital Assets	1,897,726
Reserved for Debt Retirement	35,245
Unrestricted	414,340
Total Net Position	<u>\$ 2,347,311</u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities Enterprise Funds <u>Water and Sewer</u>
<u>Operating Revenues</u>	
Charges for Services	
Water	\$ 237,673
Sewer	84,997
Total Operating Revenues	<u>322,670</u>
<u>Operating Expenses</u>	
Personnel Services	23,466
Materials, Repairs & Supplies	56,792
Utilities	36,449
Other Administrative	48,936
Depreciation	114,178
Outside Services	252,463
Sample Collecting/Testing	5,405
Total Operating Expenses	<u>537,689</u>
<u>Operating Income (Loss)</u>	(215,019)
<u>Non-Operating Revenues (Expenses)</u>	
Transfers In (Out)	198,069
Insurance Proceeds	216,641
Interest Income	1,894
Interest Expense	(6,957)
Total Non-Operating Revenues (Expenses)	<u>409,647</u>
Change in net position	194,628
Net Position - Beginning of the Year	<u>2,152,683</u>
NET POSITION - END OF THE YEAR	<u><u>\$ 2,347,311</u></u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities Enterprise Funds Water & Sewer
<u>Cash Flows From Operating Activities</u>	
Receipts from Customers	\$ 318,652
Payments to Suppliers	(233,706)
Payments to Employees	(23,466)
Net Cash Provided (Used) by Operating Activities	<u>61,480</u>
<u>Cash Flows From Noncapital Financing Activities</u>	
Transfer In (Out)	199,153
Decrease in Net Due To Other Funds	(13,861)
Increase in Customer Deposits	2,247
Net Cash Provided (Used) by Noncapital Financing Activities	<u>187,539</u>
<u>Cash Flows From Capital and Related Financing Activities</u>	
Purchases of Capital Assets	(478,759)
Proceeds from Issuance of Long-Term Debt	150,421
Principal Paid on Bonds	(4,134)
Interest Paid on Bonds	(6,705)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(339,177)</u>
<u>Cash Flows From Investing Activities</u>	
Interest Income	<u>1,871</u>
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	(88,287)
Cash and Cash Equivalents at Beginning of Year	<u>366,376</u>
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u><u>\$ 278,089</u></u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities <u>Enterprise Funds</u> <u>Water & Sewer</u>
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Provided (Used) by Operating Activities:</u>	
Operating Income (Loss)	\$ (215,019)
Adjustments to Reconcile Net Losses to Net	
Cash Provided (Used) by Operating Activities	
Depreciation	114,178
(Increase) Decrease in Accounts Receivable	(4,018)
Increase (Decrease) in Accounts Payable	166,339
Increase (Decrease) in Due to Other Funds	-
	<hr/>
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ 61,480</u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Introduction

The Village of Simsboro, Louisiana (the Village) consists of an executive branch of government headed by a mayor and a legislative branch of government consisting of three aldermen. The Village's combined balance sheet includes the accounts of all village operations. The Village's major operations include police protection, garbage and trash collection, and administrative services. In addition, the Village operates a Utility Enterprise fund to provide water and sewerage services.

Note 1 - Summary of Significant Accounting Policies

Basis of Presentation

The Governmental Accounting Standards Board (GASB) promulgates generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local government entities. The GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government. The financial reporting practices of the Village comply with the financial reporting standards by the GASB.

The accompanying financial statements present the financial position and results of operations of the Village and the various funds and fund types, and the cash flows of the proprietary funds.

A. Financial Reporting Entity

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

GASB established criteria for determining which component units should be considered part of the Village of Simsboro, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is accountability. The GASB has a set of criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the Village to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Village.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Village has determined that there are no component units that are part of the reporting entity.

B. Government-Wide Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) displays information about the reporting government as a whole. Fiduciary funds are not included in the government-wide financial statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function, segment, or component unit.

Program Revenues

Program revenues include 1) charges to customers who purchase, use or directly benefit from goods or services provided by given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Charges for services are primarily derived for solid waste fees, rental income, and traffic fines. Taxes and other items not properly included among program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenues rather than as program revenues.

Allocation of Indirect Expenses

The Village allocates indirect expenses, such as interest expense, directly to clearly identifiable functions in the Statement of Activities.

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

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

Government-wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred,

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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

regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual bases or 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 Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end. Principal revenue sources considered susceptible to accrual include grants, sales and use taxes, and franchise taxes. Other revenues are considered to be measurable and available only when cash is received by the Village.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual bases of accounting include:

- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

Proprietary Funds – The financial statements of the proprietary funds are reported using the economic resources measurement focus and the accrual basis or accounting, similar to the government-wide statements described above.

Each proprietary fund has the option under Governmental Accounting Standards Board (GASB), Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting* to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASBs conflicts with GASB. The primary government's enterprise fund has elected to not apply FASBs issued after the application date.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Fund Accounting

The financial activities of the Village are recorded in the individual funds, each of which is deemed to be a separate accounting entity. The Village uses fund accounting to report on its financial position and results of operation. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

D. Fund Accounting (continued)

Major Governmental Fund

General Fund – This fund accounts for all activities of the Village not specifically required to be accounted for in other funds. This fund accounts for transactions for services such as general government and public safety services.

Major Proprietary Fund

Water and Sewer funds – These funds are used to account for the provision of water and sewerage residents of the Village of Simsboro. These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

E. Cash and Cash Equivalents

Under state law, the Village may deposit funds in direct deposits, interest-bearing demand deposits, or time deposits with state banks, organized under Louisiana law or any other state of the United States, or under the laws of the United States.

For purposes of the Proprietary fund Statement of Cash Flows, the Village considers all investments with a maturity of three months or less when purchased to be cash equivalents.

F. Investments

Investments are limited by R.S. 33:2955 and the Village's investment policy. If original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Permissible investments include direct obligations of the U.S. Government and agency securities, certificates of deposit, and savings accounts or savings certificates of savings and loan associations and repurchase agreements.

The investments are reflected at fair value except for the following which are permitted per GASB Statement No. 31:

- Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

F. Investments (continued)

The Village's investments are in certificates of deposit and are stated at amortized costs.

G. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances of the governmental activities include sales and use taxes and franchise fees, and grants. Business-type activities report utilities as their major receivable. An allowance for uncollectible, in the opinion of management, they are charged to operations at that time.

In the fund financial statements, material receivables in governmental funds include revenue accruals that are usually both measurable and available. Nonexchange 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.

H. Inventory

Inventory items are valued at cost using the first-in, first out method. The Village records inventory in the Utility fund for water and sewer repair and maintenance items held at year end.

I. Capital Assets

Capital assets, which include land, buildings, equipment, and improvements, 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 costs if historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	40 years
Site Improvements	40 years
Equipment	5-10 years

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

J. Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has one item that qualifies for reporting in this category.

J. Deferred Outflows/Inflows of Resources (continued)

The Statement of Net Position reports the Village's proportionate share of deferred outflows of resources related to pensions. See Note 10 for more information.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Village has one item that qualifies for reporting in this category.

The Statement of Net Position reports the Village's proportionate share of the deferred inflows of resources related to pensions. See Note 10 for more information.

K. Interfund Activity

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related costs as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental and business-type activities in the Statement of Net Position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds 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 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.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

M. Compensated Absences

The Village's policy provides vacation and sick leave to full-time employees. Part-time employees do not accrue vacation time.

Vacation and sick leave chart is as follows:

<u>Years of Service</u>	<u>Days of annual leave</u>	<u>Days of sick leave</u>
1 year after anniversary date	10	10
2 years (Jan 1 – Dec 31)	10	10
3 years (Jan 1 – Dec 31)	10	10
4 years (Jan 1 – Dec 31)	10	10
5 – 9 years (Jan 1 – Dec 31)	10	10
10-20 years (Jan 1 – Dec 31)	10	10

After the first year of employment, annual vacation leave must be taken between the anniversary date of employment and December 31 of the following year. All other vacation leave days shall be taken between January 1 and December 31, of the year earned or the year following. Vacation and sick leave are not paid upon termination. As of June 30, 2023, no liability was recognized for unused annual leave.

N. Post-Employment Health Care Benefits

The Village does not provide medical coverage for its retirees; consequently, there is no liability for post-employment health care benefits.

O. Equity Classifications – Government-wide Statements

Net position represents the difference between assets and deferred outflows or resources less liabilities and deferred inflows of resources. The Village reports three categories of net position as follows:

- Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows or resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- Restricted net position – net position is considered restricted if its use is constrained to a particular purpose. Restrictions can be:
 - Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments.
 - Imposed by law through constitutional provisions or enabling legislation. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

O. Equity Classifications – Government-wide Statements (continued)

- Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the Village.

When both restricted and unrestricted resources are available for use, generally it is the Village's policy to use restricted resources first, then unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Net position in the governmental activities of \$67,305 are restricted by enabling legislation (LA RS 47:322.33(B) for infrastructure enhancements which support economic development or tourism.

P. Fund Equity of Fund Financial Statements

GASB Statement No. 45 requires the fund balance amounts to be reported within the fund balance categories as follows:

Non-spendable – Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories.

Restricted Fund Balance – Fund balance that can be spent only for specific purposes stipulated by the constitution, external resource provides or through enabling legislation.

Committed Fund Balance – Fund balance that can only be used for specific purposes pursuant to constraints imposed by formal resolution or ordinances of the Village aldermen, the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Village alderman remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the field have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – Fund balance that is constrained by the Village's "intent" to be used for specific purposes but is neither restricted nor committed. The Village alderman and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted not committed.

Unassigned Fund Balance – Fund balance that is the residual classification for the General fund. It is also used to report negative fund balances in other governmental funds.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

P. Fund Equity of Fund Financial Statements (continued)

Minimum Fund Balance – The Village does not have a minimum fund balance policy. When both restricted and unrestricted resources are available for use, it is the Village’s policy to use externally restricted resources first, then unrestricted resources. The Village reduces committed amounts, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for which amounts in any of those unrestricted fund classifications could be used.

Q. Elimination and Reclassifications

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, the interfund activity was reported as internal balances in an attempt to minimize the “grossing up” effect on assets and liabilities within the governmental and business-type activities column.

R. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

S. Pension Plan

The Village is a participating employer in a multiple employer, defined benefit plan described in Note 10. For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan, and additions to/deductions for the plans fiduciary net position have been determined on the accrual basis, which is the same basis as they are reported in the retirement system. for this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2 - Stewardship, Compliance and Accountability

BUDGET INFORMATION The Village uses the following budget practices:

1. In May of each year, the Mayor submits to the Board of Aldermen an operating and capital budget for the succeeding year.
2. A public hearing is scheduled by the Mayor and Board or Aldermen after allowing for at least ten days’ notice to the public at the time the budget is initially submitted to the Board or Aldermen.
3. Final adoption of the Budget by the Board of Aldermen is on the first Monday in June.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 2 - Stewardship, Compliance and Accountability (continued)

4. The Mayor may authorize transfers of budgetary amounts within departments. Any revision requiring alteration of levels of expenditures or transfers between departments must be approved by the Board of Aldermen.
5. Operating appropriations and non-major capital appropriations, to the extent not expended, lapse at year end.
6. All legally adopted budgets of the Village are adopted on a basis consistent with accounting principles generally accepted in the United States or America (GAAP). Budgets are adopted for the General fund and Special Revenue funds.

Note 3 - Deposits and Investments

Deposits are stated at cost, which approximate fair value. 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 fair 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.

Interest rate risk: The Village's policy does not address interest rate risk.

Credit Risk: The Village's investments are in certificates of deposit which do not have credit ratings. The Village's policy does not address credit risk.

Concentration of credit risk: The Village's policy does not address concentration of credit risk.

Custodial credit risk – deposits: At year-end, the Village's carrying amount of deposits was \$1,300,896 and the bank balance was \$1,309,397.

These deposits are reported as follows:

Cash and cash equivalents	\$ 942,173
Investments	224,914
Restricted Cash	<u>133,809</u>
Total	<u>\$ 1,300,896</u>

The Bank deposits are secured from risk by \$500,000 of federal deposit insurance and \$809,397 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 7 - Restricted Assets (continued)

	<u>Governmental</u>	<u>Business-Type</u>
Economic Development & Tourism	\$ 67,305	\$ -
ARPA Funds	217,466	-
Utility Customer Deposits	-	29,421
Restricted For Debt Service	-	35,245
Totals	<u>\$ 284,771</u>	<u>\$ 64,666</u>

Note 8 - Capital Assets

A summary of changes in capital assets follows:

	June 30, 2022 Balance	Additions	Deletions	June 30, 2023 Balance
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Total Capital Assets, Not Being Depreciated	50,000	-	-	50,000
Depreciable Assets:				
Buildings & Improvements	167,793	-	-	167,793
Equipment	72,503	32,628	-	105,131
Vehicles	62,500	-	-	62,500
Total Capital Assets Being Depreciated	302,796	32,628	-	335,424
Less: Accumulated Depreciated:				
Buildings & Improvements	(81,248)	(7,171)	-	(88,419)
Equipment	(74,848)	(3,966)	-	(78,814)
Vehicles	(50,982)	(3,200)	-	(54,182)
Total Accumulated:	(207,078)	(14,337)	-	(221,415)
Total Capital Assets, Being Depreciated Net	<u>95,718</u>	<u>18,291</u>	<u>-</u>	<u>114,009</u>
<u>Governmental Activities Capital Assets, Net</u>	<u>\$ 145,718</u>	<u>\$ 18,291</u>	<u>\$ -</u>	<u>\$ 164,009</u>

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 8 – Capital Assets (continued)

	June 30, 2022			June 30, 2023
<u>Business-Type Activities</u>	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Non-Depreciable Assets:				
Land	\$ 39,246	\$ -	\$ -	\$ 39,246
Construction in Process	1,433	296,548	-	297,981
Total Capital Assets, Not Being Depreciated	40,679	296,548	-	337,227
Depreciable Assets:				
Waterworks System	1,509,197	76,108	-	1,585,305
Sewer Treatment Facilities	2,712,430	7,489	-	2,719,919
Machinery & Equipment	55,216	97,180	-	152,396
Total Capital Assets Being Depreciated	4,276,843	180,777	-	4,457,620
Less: Accumulated Depreciated:				
Waterworks System	(786,425)	(39,750)	-	(826,175)
Sewer Treatment Facilities	(1,633,167)	(67,950)	-	(1,701,117)
Machinery & Equipment	(55,216)	(6,478)	-	(61,695)
Total Accumulated:	(2,474,808)	(114,178)	-	(2,588,987)
Total Capital Assets, Being Depreciated Net	1,802,035	66,599	-	1,868,634
<u>Business-Type Activities</u>				
<u>Capital Assets Net</u>	\$ 1,842,714	\$ 363,147	\$ -	\$ 2,205,861

Depreciation expense for the year ended June 30, 2023, was charged to functions of the primary government as follows:

Government activities:	
General government	<u>\$14,337</u>
Business-type activities:	
Water and Sewer	<u>\$114,178</u>

Note 9 – Customers' Deposits

Deposits held for customers that are currently active on the water and sewer systems total \$29,421 at June 30, 2023. These amounts are payable from restricted assets. See Note 7.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 – Pension Plans

Employees of the Village are members of the Municipal Police Employees' Retirement System of Louisiana (MPERS).

A. Municipal Police Employee Retirement System (MPERS)

Plan Description: Police officers of the Village are provided with pensions through a cost-sharing multiple-employer defined benefit plan established by Act 189 of 1973 and amended by Louisiana Revised Statutes (La. R.S. 11:2211 – 11:2233) to provide retirement benefits for municipal police officers. The Municipal Police Employees' Retirement System of Louisiana is the administrator of this plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana engaged in law enforcement, empowered to make arrest, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers.

The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. MPERS issues a publicly available financial report that can be obtained at www.lampers.org.

Benefits Provided: The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement – membership prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are 3 1/3% of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives equal to 10% of the member's average final compensation or \$200 per month, whichever is greater.

Retirement – membership commencing January 1, 2013: Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 – Pension Plans (continued)

regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years or creditable service at any age, with a actuarially reduced benefit from age 55.

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% and 2 ½%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 25% to 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or \$200 per month whichever is greater. If deceased member had less than 10 years of service, beneficiary will receive a refund of employee contributions only.

Cost of Living Adjustments: The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost-of-living adjustment until they reach retirement age.

A COLA may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

Deferred Retirement Option Plan: A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the member's sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty-six months or less. If employment is terminated after the three-year period the participant may receive his benefits by

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 – Pension Plans (continued)

lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate.

Initial Benefit Option Plan: In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on the same criteria as DROP.

Contributions: Contribution requirements of active employees are governed by Act 189 of 1973 and amended by Louisiana Revised Statutes (La. R.S. 11:L2211 – 11:2233) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to MPERS by participating employers. Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay. For the year ending June 30, 2022, the actual employer contributions rate ranged from 29.75% to 32.25% of actual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. The system also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislative each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended June 30, 2023, and excluded from pension expense. Non-employer contributions to the pension plan from the Village were \$1,238 for the year ended June 30, 2023. There were \$3,815 in contributions to the pension plan from the Village for the year ended June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred outflows of Resources and Deferred Inflows or Resources Related to Pensions:

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 – Pension Plans (continued)

At June 30, 2023, the Village reported a liability of \$0 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. At June 30, 2023, the Village's proportion was 0% which did not change from its proportion measured as of June 30, 2022. The Village's proportion was also 0% as of June 30, 2021.

For the year ended June 30, 2023, the Village recognized pension expense of \$(370).

At June 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental Activities</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ -	-
Net difference between projected and actual earnings on pension plan investments	-	-
Change of assumptions	-	-
Change in proportion and differences between employer contributions and proportionate share of contributions	<u>11,620</u>	<u>(23,982)</u>
Total	<u>\$ 11,620</u>	<u>\$ (23,982)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Fiscal Year Ended</u>
06/30/2023	\$ (370)
06/30/2024	(11,991)

Actuarial Methods and Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023 are as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	6.750% net of investment expense

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 – Pension Plans (continued)

Inflation Rate	2.50% per annum	
Expected Remaining Service Lives	4 years	
Salary increase, including inflation and merit	Salary growth	
	<u>Year of Service</u>	<u>Rate</u>
	1-2	12.3%
	Above 2	4.70%

Mortality For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used

For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using MP2019 scale was used.

Cost-of-living adjustments The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increase not year authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan for the period July 1, 2014, through June 30, 2019, and review of similar law enforcement mortality. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels or mortality.

The best estimates of the arithmetic nominal rates or return for each major asset class included in the System's target allocation as of June 30, 2023, are summarized in the following table:

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 – Pension Plans (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity	55.50%	3.60%
Fixed Income	30.50%	0.85%
Alternative	14.00%	0.95%
Other	0.00%	0.00%
Totals	100.00%	5.40%
Inflation		2.66%
Expected Nominal Return		8.06%

Discount Rate: The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to changes in Discount Rate: The following presents the net pension liability of the Village's proportionate share of the net pension liability using the discount rate of 6.750%, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2022:

	<u>Changes in Discount Rate</u>		
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	<u>5.750%</u>	<u>6.750%</u>	<u>7.750%</u>
Net Pension Liability	\$ -	\$ -	\$ -

Pension Plan Fiduciary New Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Municipal Police Employees' Retirement System of Louisiana stand-alone audit report on their financial statements for the year ended June 30, at www.lampers.org

Payables to the Pension Plan: At June 30, 2023, the Village did not owe any money to the Municipal Police Employees' Retirement System for the June 30, 2023 employee and employer legally required contributions.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 11 – Long-Term Obligations

Long-term debt consists of notes payable to Rural Development for revenue bonds that relate to the Village's sewerage system.

The note requires a monthly payment of \$911, at an interest rate of 4.25%, payable through 2045.

Interest paid during the fiscal year ended June 30, 2023, was \$6,799.

Rural Development Loan 92-04 had a beginning balance of \$161,849 as of June 30, 2022. Principal payments of \$4,134 reduced the balance due as of June 30, 2022, to \$157,715 with a current portion of \$4,133.

Principal and interest over the life of the loan is as follow:

Year	Interest	Principal	Total
2024	\$ 6,619	\$ 4,313	\$ 10,932
2025	6,432	4,500	10,932
2026	6,237	4,695	10,932
2027	6,034	4,898	10,932
2028-2032	26,794	27,866	54,660
2032-2037	20,209	34,451	54,660
2038-2042	12,068	42,592	54,660
2043-2046	2,951	34,400	37,351
Total	\$ 87,344	\$ 157,715	\$ 245,059

The Village issued an LDH – Drinking Water Revolving Loan for \$150,421. As of June 30, 2023, there was no debt service schedule provided as the proceeds of the Bond are being advanced on an “as needed basis” and will be subject to forgiveness.

Note 12 – Interfund Receivables, Payables, and Transfers

Interfund receivables and payables at June 30, 2023, were as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 18,763	\$ –
Proprietary Fund	–	18,763
Totals	<u>\$ 18,763</u>	<u>\$ 18,763</u>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments funds are made.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 13 - Subsequent Events

In preparing these financial statements, the Village has evaluated events and transactions for potential recognition or disclosure through October 20, 2023, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULE

VILLAGE OF SIMSBORO
SIMSBORO, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Schedule 1</u>			
	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>
				<u>(Negative)</u>
Budgetary Fund Balance at				
Beginning of Year	\$ 357,152	\$ 550,301	\$ 678,661	\$ 128,360
Resources				
Property Taxes	20,000	18,557	18,625	68
Franchise and Insurance Premium	60,000	70,000	69,313	(687)
Sales Taxes	110,000	7,905	122,583	114,678
Intergovernmental	156,000	5,354	22,968	17,614
Charges for Services	65,000	68,000	65,266	(2,734)
Fines	3,000	3,700	8,481	4,781
Interest Income	200	200	726	526
Miscellaneous	350	7,739	10,946	3,207
Total Resources	414,550	181,455	318,908	137,453
Amounts Available for Appropriations	771,702	731,756	997,569	265,813
Charges to Appropriations				
Current				
General Government	146,000	208,000	176,833	31,167
Capital Outlay	-	-	32,628	(32,628)
Public Safety	29,000	42,000	36,013	5,987
Total Charges to Appropriations	175,000	250,000	245,474	4,526
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfer Out	-	(3,000)	(113,748)	110,748
	-	(3,000)	(113,748)	110,748
Budgetary Fund Balance at End of Year	\$ 596,702	\$ 478,756	\$ 638,347	\$ 159,591

See accompanying notes and auditor's report.

VILLAGE OF SIMSBORO
SIMSBORO, LOUISIANA
ARPA FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Schedule 1</u>			
	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>
				<u>(Negative)</u>
Budgetary Fund Balance at				
Beginning of Year	\$ -	\$ -	\$ 150,757	\$ 150,757
Resources				
Intergovernmental Revenue - Federal	200,000	-	150,753	150,753
Interest Income	-	-	277	277
Total Resources	200,000	-	151,030	151,030
Amounts available for appropriations	200,000	-	301,787	301,787
Charges to appropriations				
Current				
General government	-	-	-	-
Public Safety	-	-	-	-
Total Charges to appropriations	-	-	-	-
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfer Out	-	-	(84,321)	84,321
	-	-	(84,321)	84,321
Budgetary fund balance at end of year	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 217,466</u>	<u>\$ 217,466</u>

See accompanying notes and auditor's report.

VILLAGE OF SIMSBORO
SIMSBORO, LOUISIANA
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2023

Note: General Budget Practices

A proposed budget is prepared and submitted by the Mayor to the Town Council prior to the beginning of each year. A proposed budget ordinance is published in the Village's official journal several weeks before the scheduled meeting to finalize the budgets. After budgets are published for public inspection, the budgets are adopted through the passage of the ordinance at the Village's June board meeting.

The operating budget is prepared on a basis used by the Village, which is basically a cash basis. The Village prepares annual budgets for all funds. Budget amendments are approved by the Town Council and are also approved by ordinance.

All budgetary appropriations lapse at the end of each year.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023

Year Ending June 30,	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.0000%	-	10,500	0.00%	71.01%
2021	0.0056%	52,118	7,000	744.54%	70.94%
2022	0.0000%	-	-	0.00%	84.09%
2023	0.0000%	-	10,500	0.00%	70.80%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2018.

The Village began participation in the Municipal Police Employees' Retirement System on January 1, 2018. The Municipal Police Employees' Retirement System report as of June 30, 2019 did not include the Village in calculating the employer's proportion of the net pension liability.

The amounts presented have a measurement date of the previous fiscal year end.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
SCHEDULE OF THE EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2023

<u>Year Ending June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency(Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as % of Covered Employee Payroll</u>
2020	3,397	3,397	-	10,500	32.35%
2021	2,265	2,265	-	7,000	32.36%
2022	-	-	-	-	0.00%
2023	3,229	3,229	-	10,500	30.75%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2018.

The Village began participation in the Municipal Police Employees' Retirement System on January 1, 2018. The Municipal Police Employees' Retirement System report as of June 30, 2019 did not include the Village in calculating the employer's proportion of the net pension liability.

For reference only:

¹ *Employer contribution rate multiplied by employer's covered employee payroll*

² *Actual employer contributions remitted to the respective pension funds*

³ *Employer's covered employee payroll amount for the fiscal year ended.*

SUPPLEMENTARY INFORMATION

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Madden Park Fund
	<hr/>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 10,457
Due from other funds	<hr/> -
<u>TOTAL ASSETS</u>	<hr/> \$ 10,457 <hr/>
<u>LIABILITIES</u>	
Accounts, salaries, and other payables	\$ -
Total Liabilities	<hr/> -
<u>FUND BALANCES</u>	
Assigned	10,457
Unassigned	<hr/> -
Total Fund Balance	<hr/> 10,457 <hr/>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<hr/> \$ 10,457 <hr/>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF SIMSBORO, LOUISIANA
SIMSBORO, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Madden Park Fund
<u>Revenues</u>	
Interest Income	\$ 11
Miscellaneous	-
Total Revenues	<u>11</u>
<u>Expenditures</u>	
General Government	-
Public safety	-
Total Expenditures	<u>-</u>
<u>Excess (Deficiency) of Revenues</u>	
<u>Over Expenditures</u>	11
<u>Other Financing Sources (Uses)</u>	
Transfers In	-
Transfer Out	-
Total Other Financing Sources (Uses)	<u>-</u>
<u>Net Change in Fund Balance</u>	11
<u>Fund Balance - Beginning</u>	<u>10,446</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 10,457</u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF SIMSBORO
SIMSBORO, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO ALDERMAN
FOR THE YEAR ENDED JUNE 30, 2023

Alderman Jerry White	\$	750
Alderwoman Hazel Tuminello		750
Alderman Doug Durrett		<u>750</u>
		2,250

See accompanying notes and auditor's report.

VILLAGE OF SIMSBORO
SIMSBORO, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2023

Agency Head

Sybil Smalling-Foster, Mayor

Salary		\$ 12,000
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Benefits

Benefits - Retirement	744	
Benefits - Insurance	174	
Travel	449	
Reimbursement	540	
Total Benefits	1,907	1,907

Total		\$ 13,907
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VILLAGE OF SIMSBORO
SIMSBORO, LOUISIANA
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED JUNE 30, 2023

	First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 6/30/2023
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	\$ -
Add: Collections		
Other	1,242	7,239
Less: Disbursements to Governments & Nonprofits:		
LA Comm on Law Enforcement - Post Law Enforcement Training and Assistance Fund, Other	12	51
Louisiana Judicial College, Other	3	17
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund, Other	30	120
Treasurer, State of Louisiana, CMIS - Other	2	15
Less: Amounts Retained by Collecting Agency		
Criminal Fines - Other	1,195	7,036
Subtotal Disbursements/Retainage	1,242	7,239
Total: Ending Balance of Amounts Collected but not Disbursed/ Retained (i.e. cash on hand)	\$ -	\$ -

OTHER REPORTS



**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 Sybil Foster, Mayor
And Members of the Board of Alderman
Village of Simsboro, Louisiana

I 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Simsboro, Louisiana (the Village) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued my report thereon dated October 20, 2023.

Report on Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did identify a deficiency in internal control that I consider to be a material weakness listed as item 2023-01 in the schedule of findings and responses. I also identified a certain deficiency in internal control, described in the To the



Honorable Sybil Foster, Mayor
And Members of the Board of Alderman
Village of Simsboro, Louisiana
Page 2

accompanying schedule of findings and responses as item 2023-02 that I consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as 2023-03.

Village of Simsboro, Louisiana's Response to Findings

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

Purpose of the Report

The purpose of this report is solely to describe the scope of my 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.

Maxwell CPA, LLC

Sterlington, Louisiana
October 20, 2023

OTHER INFORMATION

VILLAGE OF SIMSBORO, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023

I have audited the financial statements of the Village of Simsboro, Louisiana, as of and for the year ended June 30, 2023, and have issued our report thereon dated September 20, 2023. I conducted my 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. My audit of the financial statements as of June 30, 2023, resulted in an unmodified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness

no

Significant Deficiencies Not Considered to be

Material Weaknesses

no

Compliance

Compliance Material to Financial Statements

no

Section II- Financial Statement Findings

2023-01 **Inadequate Segregation of Accounting Duties**

Criteria

Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

Condition

The Village has too few personnel involved in the accounting system to have adequate separation of duties for internal control.

Cause

The small size and limited revenues of the Village.

Effect

Lack of segregation of accounting duties increases the risk that errors or irregularities would not be detected or corrected in a timely manner.

Recommendation

The Village should use the contracted accounting firm to help minimize the risk of errors and irregularities that occur from inadequate segregation of duties.

Response

The contracted accounting firm will continue to assist the Village with accounting duties on a monthly basis. The Village feels that the cost of hiring additional staff exceeds the benefits.

VILLAGE OF SIMSBORO, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023 (continued)

2023-02 Timekeeping Procedures

Criteria

The Village should have some form of documentation and adequate supervision of time worked to ensure that employees are working the scheduled hours upon which their pay is based.

Condition

The Village does not require timesheets for all employees.

Cause

The Board of Alderman approved the pay of certain employees and did not require subsequent supporting documentation. They assumed salaried employees did not need to have timesheets or another form of supporting documentation to support the pay since it was approved by the Board.

Effect

The Village could be in violation of state law.

Recommendation

The Village should require that all employees fill out a timesheet and get it approved by the Mayor before paychecks are issued.

Response

The Village will immediately start requiring timesheets and make sure they get the proper approvals before payroll is submitted.

2023-03 Budget Variance

Criteria

Louisiana Revised Statute 39:1311 requires the Village to adopt a budget amendment if there is a five percent or greater shortage in revenue or a five percent or greater overage in expenditures or if there is a five percent or greater variance in the actual fund balance at the beginning of the year.

Condition

The Village had an unfavorable variance of greater than five percent for the fiscal year.

Cause

The Village did not amend the General Fund or ARPA budgets to cover additional expenditures.

Effect

The Village could spend more funds than it has available.

Recommendation

The Village should continue to monitor revenues and expenditures throughout the year to ensure actual revenues and expenditures are within the five percent variance of the budgeted revenues and expenditures.

Response

The Village will continue to monitor actual expenditures and ensure that the difference between budgeted expenditures and actual expenditures are within five percent.

VILLAGE OF SIMSBORO, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

2022-01 Segregation of Duties

Condition

The Village has too few personnel involved in the accounting system to have adequate separation of duties for internal control.

Recommendation

The Village should use the contracted accounting firm to help minimize the risk of errors and irregularities that occur from inadequate segregation of duties.

Current Status

Finding is repeated as 2023-01.

2022-02 Timekeeping Procedures

Condition

The Village does not require timesheets for all employees.

Recommendation

The Village should require that all employees fill out a timesheet and get it approved by the Mayor before paychecks are issued.

Current Status

Finding is repeated as 2023-02.

2022-03 Budget Variance

Condition

The Village had an unfavorable variance of greater than five percent for the fiscal year.

Recommendation

The Village should continue to monitor revenues and expenditures throughout the year to ensure actual revenues and expenditures are within the five percent variance of the budgeted revenues and expenditures.

Current Status

Finding is repeated as 2023-03.

VILLAGE OF SIMSBORO, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023 (continued)

2022-04 Compliance with Annual Filing Deadline

Condition

The Village did not file its annual reports for the year ending June 30, 2022

Recommendation

The Village should work with its outside accounting firm to get the financial information ready earlier so that it can be submitted to the Legislative Auditor in a timely manner.

Current Status

Finding was resolved in 2023.

VILLAGE OF SIMSBORO
SIMSBORO, LOUISIANA

*Independent Accountant's Report on Applying
Agreed-Upon Procedures*

For the Year Ended June 30, 2023





INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Sybil Foster, Mayor; members of the Board of Alderman of the Village of Simsboro, Louisiana; and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:¹
 - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
 - 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.
 - c) *Disbursements*, including processing, reviewing, and approving.
 - 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).

¹ For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.



- e) *Payroll/Personnel*, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- 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.
- 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).
- h) *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) *Ethics*², including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) *Information Technology Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) *Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: Twenty-two exceptions where the Village's policies and procedures did not address the required categories and subcategories listed above.

*Board or Finance Committee*³

- 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.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly

² The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

³ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

budget-to-actual, at a minimum, on proprietary funds⁴, and semi-annual budget- to-actual, at a minimum, on all special revenue funds⁷. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

Findings: Minutes did not reference or include monthly budget-to-actual comparisons. Additionally, the minutes did not mention written updates of audit findings.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁶ (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - 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
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: No exceptions noted.

⁴Proprietary and special revenue funds are defined under GASB standards. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary and special revenue operations that are not required to be budgeted under the Local Government Budget Act.

⁵ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

⁶ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

Collections (excluding electronic funds transfers)⁷

4. Obtain a listing of deposit sites⁸ 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).
5. For each deposit site selected, obtain a listing of collection locations⁹ 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 responsible for cash collections do not share cash drawers/registers.
 - 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.
 - 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.
 - 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/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
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.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

⁷ The Collections category is not required to be tested if the entity has a third-party contractor performing all collection functions (i.e., receiving collections, preparing deposits, and making deposits).

⁸ A deposit site is a physical location where a deposit is prepared and reconciled.

⁹ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office.

- e) Trace the actual deposit per the bank statement to the general ledger.

Findings: Three exceptions noted where job duties were not properly segregated. One exception noted where a deposit was not made within one business day of receipt at the collection location.

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).
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.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - 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.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]
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 whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
 - c) Documentation includes evidence of segregation of duties.
11. Using the entity's main operating account and the month selected in the Test of Bank Reconciliations, randomly select five non-payroll related electronic disbursements (or all electronic disbursements if less than five) observe that each electronic disbursement was:
 - a) Approved by only those persons authorized to disburse funds per the entity's policy.
 - b) Approved by the required number of authorized signers per the entity's policy.

Findings: Items tested only included one authorized signature on receipts/invoices. One exception noted where documentation did not include evidence that items were received.

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

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards¹⁰. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [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.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing)¹¹. For each transaction, observe 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.

Findings: Monthly statements are not reviewed by someone other than the cardholder.

Travel and Travel-Related Expense Reimbursements¹² (excluding card transactions)

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

¹⁰ Including cards used by school staff for either school operations or student activity fund operations.

¹¹ For example, if 3 of the 5 cards selected were fuel cards, only 10 transactions would be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #12 were fuel cards, Procedure #13 would not be applicable.

¹² Non-travel reimbursements are not required to be tested under this category.

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, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe 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).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: One exception noted where the check was not approved by someone other than the person receiving reimbursement.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹³ (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- 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 the invoice and related payment agreed to the terms and conditions of the contract.

Findings: Not applicable.

Payroll and Personnel

17. Obtain a listing of employees and officials¹⁴ employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related

¹³ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

¹⁴ "Officials" would include those elected, as well as board members who are appointed.

paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe all selected employees or officials¹⁵ documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Findings: Timesheets are not maintained for employees. Attendance/leave records were only kept on one employee.

*Ethics*¹⁶

21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Findings: No exceptions noted.

¹⁵ "Officials" would include those elected, as well as board members who are appointed.

¹⁶ The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the procedures should be performed.

*Debt Service*¹⁷

22. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
23. 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).

Findings: One exception was noted due to the inability to test the Reserve balance requirements.

Fraud Notice

24. 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.
25. Observe the entity has posted on its premises¹⁸ and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.¹⁹

Findings: No exceptions noted.

Information Technology Disaster Recovery/Business Continuity

26. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and

¹⁷ This AUP category is generally not applicable to nonprofit entities; however, if applicable, the procedures should be performed.

¹⁸ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs.

¹⁹ This notice is available for download or print at www.lla.la.gov/hotline.

observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Findings: I performed the procedures and discussed the results with management.

Sexual Harassment²⁰

27. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
28. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
29. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements,
 - b) Number of sexual harassment complaints received by the agency,
 - c) Number of complaints which resulted in a finding that sexual harassment occurred,
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action, and
 - e) The amount of time it took to resolve each complaint.

Findings: One exception noted where the annual sexual harassment report was dated after February 1st.

Management's Response

We concur with the results of the procedures and will address the identified exceptions.

I was engaged by the Village of Simsboro to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs.

²⁰ A private non-profit that is subject to audit by virtue of the receipt of public funds does not appear to be subject to the sexual harassment law, R.S. 42:341, et seq. However, the non-profit could be subject to the law as part of its agreement to receive the public funds.

Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Village of Simsboro to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

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

Maxwell CPA, LLC
Sterlington, Louisiana
October 20, 2023