

**VILLAGE OF EPPS, LOUISIANA**

*Financial Statements  
For the Year Ended December 31, 2022*



**VILLAGE OF EPPS, LOUISIANA**  
**FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

**TABLE OF CONTENTS**

|  | <u>Page</u> |
|--|-------------|
| Independent Accountant’s Review Report -----   | 1-2         |
| <u>Required Supplemental Information (Part A)</u>  |             |
| Management’s Discussion and Analysis-----  | 3-8         |
| <u>Basic Financial Statements</u>  |             |
| Government-Wide Financial Statements   |             |
| Statement of Net Position -----  | 9           |
| Statement of Activities -----  | 10          |
| Fund Financial Statements  |             |
| Governmental Funds:  |             |
| Balance Sheet -----  | 11          |
| Reconciliation of the Governmental Fund Balance Sheet<br>to the Government-Wide Statement of Net Position-----                 | 11          |
| Statement of Revenues, Expenditures, and Changes<br>in Fund Balances – Governmental Funds -----                                | 12          |
| Reconciliation of the Statement of Revenues, Expenditures<br>and Changes in Fund Balances to the Statement of Activities ----- | 12          |
| Proprietary Funds:   |             |
| Statement of Net Position -----  | 13          |
| Statement of Revenues, Expenses, and Changes in Fund Net Position -----  | 14          |
| Statement of Cash Flows -----  | 15          |
| Notes to the Financial Statements -----  | 16-25       |
| <u>Required Supplemental Information (Part B)</u>  |             |
| Budgetary Comparison Schedule - Governmental Funds -----   | 26          |
| Notes to the Budgetary Comparison Schedule -----   | 27          |

**VILLAGE OF EPPS, LOUISIANA**  
**FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

**TABLE OF CONTENTS** (continued)

Other Information

|   |       |
|---|-------|
| Schedule of Compensation, Reimbursements, Benefits and<br>Other Payments to Agency Head ----- | 28    |
| Schedule of Compensation Paid to Elected Officials -----                                      | 29    |
| Justice System Funding Schedule -----   | 30    |
| Schedule of Findings and Responses -----  | 31    |
| Status of Prior Year Findings-----  | 32    |
| Independent Accountant's Report on Applying Agreed-Upon Procedures -----                      | 33-36 |
| Louisiana Attestation Questionnaire-----  | 37-39 |



## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

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

I have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Epps, Louisiana (the Village), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

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

### **Accountant's Responsibility**

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

I am required to be independent of the Village of Epps and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

### **Accountant's Conclusion**

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





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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and page 26, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the information and, accordingly, do not express an opinion on such information.

**Other Information**

The accompanying schedule of compensation, reimbursements, benefits, and other payments to agency head and schedule of compensation paid to elected officials on pages 28 and 29, respectively, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the supplementary information and, accordingly, do not express an opinion on such information.

The accompanying justice system funding schedule on Page 30 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with the reporting framework prescribed by Louisiana Revised Statute 24:515.2 and the Louisiana Legislative Auditor. I have not audited the supplementary information and, accordingly, do not express an opinion on such information.

*Maxwell CPA, LLC*

Monroe, Louisiana  
June 29, 2023

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

**VILLAGE OF EPPS, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

As management of the Village of Epps, we offer readers of the Village of Epps' financial statements this narrative overview and analysis of the financial activities of the Village of Epps for the year ended December 31, 2022. It is designed to assist the reader in focusing on significant financial issues, identify changes in the Village's financial position, and identify material deviations and individual fund issues or concerns.

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

**FINANCIAL HIGHLIGHTS**

- The assets of the Village exceeded its liabilities at the close of the fiscal year by \$1,479,539 (net position). Of this amount, \$289,212 (unrestricted net position) represents the portion of net position that is not invested in capital assets or otherwise restricted.
- The government's total net position decreased by \$2,278.
- As of the close of the current fiscal year, the Village's governmental activities reported combined ending net position of \$616,772 a decrease of \$46,865 in comparison with the prior year. Of this total amount, \$13,960 is available for spending at the government's discretion (unrestricted net position).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the Village of Epps' basic financial statements. The Village of Epps' basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the Village of Epps' finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Village of Epps' assets and liabilities, with the difference between the two reported as net position may serve as a useful indicator of whether the financial position of the Village of Epps is improving or deteriorating.

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expense are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Village of Epps that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of the costs through user fees and charges (business-type activities). The governmental activities of the Village of Epps include general government,

## **Village of Epps, Louisiana**

### **Management Discussion and Analysis (continued)**

public safety, sanitation, and public works. The business-type activities of the Village of Epps include water and sewer.

The government-wide financial statements can be found on pages 9 and 10 of this report.

### **FUND FINANCIAL STATEMENTS**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Epps like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Village of Epps can be divided into two categories: governmental funds and proprietary funds.

#### **GOVERNMENTAL FUNDS**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village of Epps maintains one governmental fund which is the General Fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The General Fund is considered to be a major fund.

The Village of Epps adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

#### **PROPRIETARY FUNDS**

The Village of Epps maintains one proprietary fund. Enterprise funds are used to report the same functions presented as a business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information the government-wide financial statements, only in more detail.

#### **NOTES TO FINANCIAL STATEMENTS**

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

## Village of Epps, Louisiana

### Management Discussion and Analysis (continued)

#### OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village of Epps' compliance with budgets for its major funds.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Epps, assets exceeded liabilities by \$1,479,539, at the close of the most recent fiscal year.

By far the largest amount of the Village of Epps' net assets (\$1,167,400) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village of Epps uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Epps 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.

|                             | <u>Governmental Activities</u> |                   | <u>Business-Type Activities</u> |                   | <u>Totals</u>       |                     |
|-----------------------------|--------------------------------|-------------------|---------------------------------|-------------------|---------------------|---------------------|
|                             | <u>12/31/22</u>                | <u>12/31/21</u>   | <u>12/31/22</u>                 | <u>12/31/21</u>   | <u>12/31/22</u>     | <u>12/31/21</u>     |
| Current & other assets      | \$ 20,210                      | \$ 34,195         | \$ 331,044                      | \$ 210,348        | \$ 351,254          | \$ 244,543          |
| Capital assets              | <u>602,812</u>                 | <u>634,897</u>    | <u>633,646</u>                  | <u>713,897</u>    | <u>1,236,458</u>    | <u>1,348,794</u>    |
| Total assets                | <u>\$ 623,022</u>              | <u>\$ 669,092</u> | <u>\$ 964,690</u>               | <u>\$ 924,245</u> | <u>\$ 1,587,712</u> | <u>\$ 1,593,337</u> |
| Current & other liabilities | \$ 6,250                       | \$ 5,455          | \$ 44,904                       | \$ 37,007         | \$ 51,154           | \$ 42,462           |
| Long-Term liabilities       | <u>-</u>                       | <u>-</u>          | <u>57,019</u>                   | <u>69,058</u>     | <u>57,019</u>       | <u>69,058</u>       |
| Total liabilities           | \$ 6,250                       | \$ 5,455          | \$ 101,923                      | \$ 106,065        | \$ 108,173          | \$ 111,520          |
| Net Position:               |                                |                   |                                 |                   |                     |                     |
| Invested in Capital Assets  |                                |                   |                                 |                   |                     |                     |
| net of related debt         | \$ 602,812                     | \$ 634,897        | \$ 564,588                      | \$ 633,499        | \$ 1,167,400        | \$ 1,268,396        |
| Restricted                  | -                              | -                 | 22,927                          | 19,270            | 22,927              | 19,270              |
| Unrestricted                | <u>13,960</u>                  | <u>28,740</u>     | <u>275,252</u>                  | <u>165,411</u>    | <u>289,212</u>      | <u>194,151</u>      |
| Total net position          | <u>\$ 616,772</u>              | <u>\$ 663,637</u> | <u>\$ 862,767</u>               | <u>\$ 818,180</u> | <u>\$ 1,479,539</u> | <u>\$ 1,481,817</u> |

The balance of \$13,960 in unrestricted net position in the governmental activities represents the accumulated results of all past year's operations. Net position decreased by \$2,278 overall from the prior year. The changes in net position are discussed later in this MD&A.

#### GOVERNMENTAL ACTIVITIES

Governmental activities decreased the Village of Epps' net position by \$46,865. Key elements of the changes in net position are as follows:



**Village of Epps, Louisiana**  
Management Discussion and Analysis (continued)

|  | <u>Governmental Activities</u> |                          | <u>Business-Type Activities</u> |                         | <u>Totals</u>            |                         |
|--|--------------------------------|--------------------------|---------------------------------|-------------------------|--------------------------|-------------------------|
|  | <u>12/31/22</u>                | <u>12/31/21</u>          | <u>12/31/22</u>                 | <u>12/31/21</u>         | <u>12/31/22</u>          | <u>12/31/21</u>         |
| <b>Revenues</b>                            |                                |                          |                                 |                         |                          |                         |
| Program Revenues                           |                                |                          |                                 |                         |                          |                         |
| Charges for Services                       | \$ 38,154                      | \$ 44,658                | \$ 178,624                      | \$ 172,757              | \$ 216,778               | \$ 217,415              |
| Grants and Contributions                   | 2,802                          | 2,810                    | 117,141                         | 128,817                 | 119,943                  | 131,627                 |
| General Revenues                           |                                |                          |                                 |                         |                          |                         |
| Property Taxes                             | 17,383                         | 16,181                   | -                               | -                       | 17,383                   | 16,181                  |
| Franchise Taxes                            | 9,168                          | 8,005                    | -                               | -                       | 9,168                    | 8,005                   |
| Sales Taxes                                | 19,078                         | 21,754                   | -                               | -                       | 19,078                   | 21,754                  |
| Other Revenues                             | <u>5,617</u>                   | <u>14,093</u>            | <u>28</u>                       | <u>14</u>               | <u>5,645</u>             | <u>14,107</u>           |
| Total Revenues                             | 92,202                         | 107,501                  | 295,793                         | 301,588                 | 387,995                  | 409,089                 |
| <b>Expenses</b>                            |                                |                          |                                 |                         |                          |                         |
| General Government                         | 42,102                         | 39,335                   | -                               | -                       | 42,102                   | 39,335                  |
| Public Works                               | 22,671                         | 22,671                   | -                               | -                       | 22,671                   | 22,671                  |
| Public Safety & Protection                 | 74,294                         | 64,631                   | -                               | -                       | 74,294                   | 64,631                  |
| Water and Sewer                            | <u>-</u>                       | <u>-</u>                 | <u>251,206</u>                  | <u>248,590</u>          | <u>251,206</u>           | <u>248,590</u>          |
| Total Expenses                             | <u>139,067</u>                 | <u>126,637</u>           | <u>251,206</u>                  | <u>248,590</u>          | <u>390,273</u>           | <u>375,227</u>          |
| <b>Increase (Decrease) in Net Position</b> |                                |                          |                                 |                         |                          |                         |
| Before Transfers                           | (46,865)                       | (19,136)                 | 44,587                          | 52,998                  | (2,278)                  | 33,862                  |
| Transfers                                  | <u>-</u>                       | <u>-</u>                 | <u>-</u>                        | <u>-</u>                | <u>-</u>                 | <u>-</u>                |
| Increase (Decrease) in Net Position        | <u><u>\$ (46,865)</u></u>      | <u><u>\$(19,136)</u></u> | <u><u>\$ 44,587</u></u>         | <u><u>\$ 52,998</u></u> | <u><u>\$ (2,278)</u></u> | <u><u>\$ 33,862</u></u> |

Expenses are classified by functions/programs. Public Safety and Protection accounts for approximately \$74,000 while general government and public works accounts for approximately \$65,000 for the fiscal year 2022. The related program revenues for the fiscal year 2022 directly related to these expenses totaled approximately \$41,000 which resulted in net program expenses of approximately \$98,000. The remaining balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- Franchise, ad valorem tax and sales tax revenues are the largest and most significant source of revenue for the Village of Epps. It provides approximately \$46,000 of general fund revenues.
- Licenses and Permits are the second largest revenue source to the Village, generating approximately \$23,500 of general fund revenues.

**BUSINESS-TYPE ACTIVITIES**

Business-type activities increased the Village of Epps’ net position by approximately \$45,000. The increase was primarily attributable to a decrease in operating expenses.

**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

As noted earlier, the Village of Epps uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Village of Epps’ governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village of Epps’ financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village of Epps’ governmental funds reported combined ending fund balance of \$13,960 a decrease of \$14,780 in comparison with the prior year. All of this total amount of \$13,960 constitutes unassigned fund balance, which is available for spending at the Village’s discretion.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S 39:1301 et seq), the Village of Epps must adopt a budget for the General Fund and all Special Revenue funds prior to December 31.

The General Fund actual revenues had a favorable variance of \$15,150 compared to budgeted revenues. Actual expenditures were more than budgeted by \$7,681, mainly because public safety and protection costs increased more than anticipated during the year.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The Village of Epps’ investment in capital assets for its governmental and business type activities as of December 31, 2022, amounts to \$1,236,458 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, and street improvements.

Improvements to the sewer system were the only capital expenditures in the current fiscal year.

**Village of Epps Capital Assets**

|                               | <u>12/31/2022</u> | <u>12/31/2021</u> |
|-------------------------------|-------------------|-------------------|
| Land                          | \$ 158,000        | \$ 158,000        |
| Buildings and Improvements    | 461,998           | 461,998           |
| Vehicles and Equipment        | 298,480           | 298,480           |
| Infrastructure                | 473,961           | 473,961           |
| Water and Sewer System        | 2,934,294         | 2,934,294         |
| Total                         | 4,326,733         | 4,326,733         |
| Less Accumulated Depreciation | (3,090,275)       | (2,977,939)       |
| Total Capital Assets          | \$ 1,236,458      | \$ 1,348,794      |

**Village of Epps, Louisiana**  
Management Discussion and Analysis (continued)

**Village of Epps Outstanding Debt**

|               | <u>12/31/2022</u> | <u>12/31/2021</u> |
|---------------|-------------------|-------------------|
| Revenue Bonds | \$ 69,058         | \$ 80,398         |

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Factors considered in preparing the Village of Epps' budget for the 2023 fiscal year included the impact that the property tax reassessments that were completed with increased property values for the Village and determining the amount of revenue that will be generated from that tax. With current economic conditions, property tax revenue is projected to remain flat for the next fiscal year. All other revenues should remain fairly constant.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Village of Epps' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village Clerk, 120 Maple Street, Epps, Louisiana 71237.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**VILLAGE OF EPPS, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

| <b><u>ASSETS</u></b>                   | <b>PRIMARY GOVERNMENT</b>          |                                     |                     |
|--|------------------------------------|-------------------------------------|---------------------|
|  | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>        |
| Cash and Cash Equivalents              | \$ 14,392                          | \$ 274,745                          | \$ 289,137          |
| Receivables, net of allowance          | 5,818                              | 13,118                              | 18,936              |
| Restricted Cash                        | -                                  | 43,181                              | 43,181              |
| Capital Assets (net)                   | 602,812                            | 633,646                             | 1,236,458           |
| <b><u>TOTAL ASSETS</u></b>             | <b>\$ 623,022</b>                  | <b>\$ 964,690</b>                   | <b>\$ 1,587,712</b> |
| <b><u>LIABILITIES</u></b>              |                                    |                                     |                     |
| Accounts, Salaries, and Other Payables | \$ 6,250                           | \$ 7,206                            | \$ 13,456           |
| Customer Deposits                      | -                                  | 25,364                              | 25,364              |
| Accrued Interest Payable               | -                                  | 295                                 | 295                 |
| Bonds Payable, current portion         | -                                  | 12,039                              | 12,039              |
| Total Current Liabilities              | 6,250                              | 44,904                              | 51,154              |
| Bonds Payable, long-term portion       | -                                  | 57,019                              | 57,019              |
| <b><u>TOTAL LIABILITIES</u></b>        | <b>6,250</b>                       | <b>101,923</b>                      | <b>108,173</b>      |
| <b><u>NET POSITION</u></b>             |                                    |                                     |                     |
| Net Investment in Capital Assets       | 602,812                            | 564,588                             | 1,167,400           |
| Restricted for                         |                                    |                                     |                     |
| Debt Service                           | -                                  | 22,927                              | 22,927              |
| Unrestricted (deficit)                 | 13,960                             | 275,252                             | 289,212             |
| <b><u>TOTAL NET POSITION</u></b>       | <b>\$ 616,772</b>                  | <b>\$ 862,767</b>                   | <b>\$ 1,479,539</b> |

See independent accountant's review report and notes to financial statements.



**VILLAGE OF EPPS, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|   | <u>Expenses</u>          | <u>Program Revenues</u>         |   | <u>Net<br/>(Expenses)<br/>Revenue</u> |   |
|---|--------------------------|---------------------------------|---|---------------------------------------|---|
|   |                          | <u>Charges for<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> |                                       | <u>Capital<br/>Grants and<br/>Contributions</u> |
| <b><u>Functions/Programs</u></b>        |                          |                                 |   |                                       |   |
| <b><u>Governmental Activities</u></b>   |                          |                                 |   |                                       |   |
| General Government                      | \$ 42,102                | \$ 27,298                       | \$ 2,802  | \$ -                                  | \$ (12,002)                                     |
| Public Safety                           | 74,294                   | 10,856                          |   |                                       | (63,438)  |
| Public Works                            | 22,671                   | -                               | -   |                                       | (22,671)  |
| Total Governmental Activities           | 139,067                  | 38,154                          | 2,802   | -                                     | (98,111)  |
| <b><u>Business-Type Activities:</u></b> |                          |                                 |   |                                       |   |
| Water and Sewer                         | 251,206                  | 178,624                         | -   | 117,141                               | 44,559  |
| <b><u>Total Primary Government</u></b>  | <b><u>\$ 390,273</u></b> | <b><u>\$ 216,778</u></b>        | <b><u>\$ 2,802</u></b>                            | <b><u>\$ 117,141</u></b>              | <b><u>\$ (53,552)</u></b>                       |

**General Revenues:**

Property Taxes  
Franchise Taxes  
Sales Taxes  
Interest Income  
Other Revenues  
Transfers  
Total General Revenues and Transfers

Change in Net Position

**Net Position - Beginning**

**Net Position - Ending**

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

| Governmental<br>Activities | Business-Type<br>Activities | Total               |
|----------------------------|-----------------------------|---------------------|
| \$ (12,002)                | \$ -                        | \$ (12,002)         |
| (63,438)                   | -                           | (63,438)            |
| (22,671)                   | -                           | (22,671)            |
| (98,111)                   | -                           | (98,111)            |
| -                          | 44,559                      | 44,559              |
| (98,111)                   | 44,559                      | (53,552)            |
| 17,383                     | -                           | 17,383              |
| 9,168                      | -                           | 9,168               |
| 19,078                     | -                           | 19,078              |
| -                          | 28                          | 28                  |
| 5,617                      | -                           | 5,617               |
| -                          | -                           | -                   |
| 51,246                     | 28                          | 51,274              |
| (46,865)                   | 44,587                      | (2,278)             |
| 663,637                    | 818,180                     | 1,481,817           |
| <u>\$ 616,772</u>          | <u>\$ 862,767</u>           | <u>\$ 1,479,539</u> |

See independent accountant's review report and notes to financial statements.

**FUND FINANCIAL STATEMENTS**

**VILLAGE OF EPPS, LOUISIANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2022**

|   | <u>General<br/>Fund</u> | <u>LCDBG<br/>Capital<br/>Projects Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|-------------------------|--|---|
| <b><u>ASSETS</u></b>                                  |                         |  |   |
| Cash and Cash Equivalents                             | \$ 14,392               | \$ -                                       | \$ 14,392                               |
| Receivables   |                         |  |   |
| Ad Valorem Taxes - Net                                | 4,024                   | -  | 4,024                                   |
| Sales Taxes   | 1,794                   | -  | 1,794                                   |
|   | <u>          </u>       | <u>          </u>                          | <u>          </u>                       |
| <b><u>TOTAL ASSETS</u></b>                            | <b><u>\$ 20,210</u></b> | <b><u>\$ -</u></b>                         | <b><u>\$ 20,210</u></b>                 |
| <b><u>LIABILITIES</u></b>                             |                         |  |   |
| Accounts Payable                                      | \$ 6,250                | \$ -                                       | \$ 6,250                                |
| Due To Other Funds                                    | -                       | -  | -                                       |
| <b>Total Liabilities</b>                              | <u>6,250</u>            | <u>-</u>                                   | <u>6,250</u>                            |
| <b><u>FUND BALANCES</u></b>                           |                         |  |   |
| Unassigned  | <u>13,960</u>           | <u>-</u>                                   | <u>13,960</u>                           |
| <b><u>TOTAL LIABILITIES AND<br/>FUND BALANCES</u></b> | <b><u>\$ 20,210</u></b> | <b><u>\$ -</u></b>                         | <b><u>\$ 20,210</u></b>                 |

**VILLAGE OF EPPS, LOUISIANA**  
**RECONCILIATION OF GOVERNMENTAL**  
**FUND BALANCES TO STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

|                                  |           |
|----------------------------------|-----------|
| Total Governmental Fund Balances | \$ 13,960 |
|----------------------------------|-----------|

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

|  |                |
|--|----------------|
| Capital assets used in governmental activities<br>are not financial resources and therefore are not<br>reported in the funds, net of depreciation. | <u>602,812</u> |
|--|----------------|

|   |                          |
|---|--------------------------|
| Net Position of Governmental Activities | <u><u>\$ 616,772</u></u> |
|---|--------------------------|

See independent accountant's review report and notes to financial statements.



**VILLAGE OF EPPS, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|  | General<br>Fund   | LCDBG<br>Capital<br>Projects Fund | Total<br>Governmental<br>Funds |
|--|-------------------|-----------------------------------|--------------------------------|
|  | <u>          </u> | <u>          </u>                 | <u>          </u>              |
| <b><u>Revenues</u></b>                           |                   |                                   |                                |
| Taxes:   |                   |                                   |                                |
| Franchise Tax                                    | \$ 9,168          | \$ -                              | \$ 9,168                       |
| Ad Valorem Tax                                   | 17,383            | -                                 | 17,383                         |
| Sales Tax  | 19,078            | -                                 | 19,078                         |
| Licenses and Permits                             | 23,498            | -                                 | 23,498                         |
| Intergovernmental Revenues:                      | 2,802             | -                                 | 2,802                          |
| Rent   | 3,800             | -                                 | 3,800                          |
| Fines and Tickets                                | 10,856            | -                                 | 10,856                         |
| Other Revenues                                   | 5,617             | -                                 | 5,617                          |
| <b>Total Revenues</b>                            | <u>92,202</u>     | <u>-</u>                          | <u>92,202</u>                  |
| <b><u>Expenditures</u></b>                       |                   |                                   |                                |
| General Government                               | 39,841            | -                                 | 39,841                         |
| Public Safety and Protection                     | 67,141            | -                                 | 67,141                         |
| Capital Outlay                                   | -                 | -                                 | -                              |
| <b>Total Expenditures</b>                        | <u>106,982</u>    | <u>-</u>                          | <u>106,982</u>                 |
| <b><u>Excess (Deficiency) of Revenues</u></b>    |                   |                                   |                                |
| <u>Over Expenditures</u>                         | (14,780)          | -                                 | (14,780)                       |
| <b><u>Other Financing Sources and (Uses)</u></b> |                   |                                   |                                |
| Transfers In (Out)                               | <u>-</u>          | <u>-</u>                          | <u>-</u>                       |
| <b><u>Net Change in Fund Balance</u></b>         | (14,780)          | -                                 | (14,780)                       |
| <b><u>Fund Balances - Beginning</u></b>          | <u>28,740</u>     | <u>-</u>                          | <u>28,740</u>                  |
| <b><u>FUND BALANCES - ENDING</u></b>             | <u>\$ 13,960</u>  | <u>\$ -</u>                       | <u>\$ 13,960</u>               |

**VILLAGE OF EPPS, LOUISIANA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                     |    |          |
|-------------------------------------|----|----------|
| Net Change in Fund Balances - Total |    |          |
| Governmental Funds                  | \$ | (14,780) |

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

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

|   |          |  |             |
|---|----------|--|-------------|
| Capital asset purchases capitalized               | -        |  |             |
| Depreciation expense                              | (32,085) |  | (32,085)    |
| Change in Net Position of Governmental Activities |          |  | \$ (46,865) |

See independent accountant's review report and notes to financial statements.

**VILLAGE OF EPPS, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2022**

|  | <u>Water and<br/>Sewer Fund</u> |
|--|---------------------------------|
| <b><u>ASSETS</u></b>                             |                                 |
| <b><u>Current Assets</u></b>                     |                                 |
| Cash and Cash Equivalents                        | \$ 274,745                      |
| Receivables, net of allowance                    | 13,118                          |
| <b>Total Current Assets</b>                      | <b>287,863</b>                  |
| <b><u>Restricted Assets</u></b>                  |                                 |
| Cash and Cash Equivalents                        | 43,181                          |
| <b><u>Non-Current Assets</u></b>                 |                                 |
| Capital Assets (net of accumulated depreciation) | 633,646                         |
| <b>TOTAL ASSETS</b>                              | <b>\$ 964,690</b>               |
| <b><u>LIABILITIES</u></b>                        |                                 |
| <b><u>Current Liabilities</u></b>                |                                 |
| Accounts, Salaries, and Other Payables           | \$ 7,206                        |
| Customer Deposits Refundable                     | 25,364                          |
| Accrued Interest Payable                         | 295                             |
| Current Portion of Notes Payable - USDA          | 12,039                          |
| <b>Total Current Liabilities</b>                 | <b>44,904</b>                   |
| <b><u>Long Term Liabilities</u></b>              |                                 |
| Notes Payable - USDA                             | 57,019                          |
| <b>TOTAL LIABILITIES</b>                         | <b>101,923</b>                  |
| <b><u>NET POSITION</u></b>                       |                                 |
| Net Investment in Capital Assets                 | 564,588                         |
| Restricted                                       |                                 |
| Debt Service                                     | 11,457                          |
| Depreciation and Contingency                     | 11,470                          |
| Unrestricted (Deficit)                           | 275,252                         |
| <b>TOTAL NET POSITION</b>                        | <b>\$ 862,767</b>               |

See independent accountant's review report and notes to financial statements.

**VILLAGE OF EPPS, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|  | <u>Water and<br/>Sewer<br/>Enterprise Fund</u> |
|--|--|
| <b><u>Operating Revenues</u></b>                               |  |
| Charges for Services:  |  |
| Water and Sewer  | \$ 178,624                                     |
| <b><u>Operating Expenses</u></b>                               |  |
| Operations   | 124,933  |
| Maintenance and Repairs  | 41,555   |
| Depreciation   | 80,251   |
| <b>Total Operating Expenses</b>                                | <u>246,739</u>                                 |
| <b><u>Operating Income (Loss)</u></b>                          | (68,115)                                       |
| <b><u>Nonoperating Income (Expense)</u></b>                    |  |
| Interest Income  | 28   |
| Interest Expense   | (4,467)  |
| Grant Income   | 117,141  |
| <b>Total Nonoperating Income (Expense)</b>                     | <u>112,702</u>                                 |
| <b><u>Income (Loss) Before Contributions and Transfers</u></b> | 44,587   |
| <b><u>Capital Contributions and Transfers</u></b>              |  |
| Transfers In/Out   | -  |
| <b><u>Change in Net Position</u></b>                           | 44,587   |
| <b><u>Net Position - Beginning</u></b>                         | <u>818,180</u>                                 |
| <b><u>NET POSITION - ENDING</u></b>                            | <u><u>\$ 862,767</u></u>                       |

See independent accountant's review report and notes to financial statements.

**VILLAGE OF EPPS, LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|   | <u>Water and Sewer<br/>Enterprise<br/>Fund</u> |
|---|--|
| <b><u>Cash Flows from Operating Activities</u></b>  |  |
| Receipts from Customers and Users   | \$ 176,328                                     |
| Payments to Suppliers   | (143,214)                                      |
| Payments to Employees for Services and Benefits   | (19,477)                                       |
| <b>Net Cash Provided by Operating Activities</b>  | <b>13,637</b>                                  |
| <b><u>Cash Flows from Noncapital Financing Activities</u></b>                               |  |
| Increase in Interfund Receivables   | -  |
| Increase in Customer Deposits   | 3,450  |
| <b>Net Cash Flows from Noncapital Financing Activities</b>                                  | <b>3,450</b>                                   |
| <b><u>Cash Flows from Capital and Related Financing Activities</u></b>                      |  |
| Capital Grant   | 132,156  |
| Principal Paid on Debt  | (11,340)                                       |
| Interest Paid on Debt   | (4,516)  |
| <b>Net Cash Flows from Capital and Related Financing Activities</b>                         | <b>116,300</b>                                 |
| <b><u>Cash Flows from Investing Activities</u></b>  |  |
| Interest Received   | 28   |
| <b>Net Decrease in Cash and Cash Equivalents</b>  | <b>133,415</b>                                 |
| <b>Cash and Cash Equivalents, Beginning of the Year</b>                                     | <b>184,511</b>                                 |
| <b><u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u></b>                                      | <b>\$ 317,926</b>                              |
| <b><u>Shown on the Accompanying Statement of Net Position as:</u></b>                       |  |
| Cash  | \$ 274,745                                     |
| Restricted Assets - Cash  | 43,181   |
| <b>Total Cash</b>   | <b>\$ 317,926</b>                              |
| <b><u>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</u></b> |  |
| Operating Loss  | \$ (68,115)                                    |
| Adjustments to Reconcile Net Loss to Net Cash Provided by<br>Operating Activities           |  |
| Depreciation Expense  | 80,251   |
| Increase in Accounts Receivable   | (2,296)  |
| Increase in Accounts Payable  | 3,797  |
| <b>Total Adjustments</b>  | <b>81,752</b>                                  |
| <b>Net Cash Provided by Operating Activities</b>  | <b>\$ 13,637</b>                               |

See independent accountant's review report and notes to financial statements.



**VILLAGE OF EPPS, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Introduction**

The Village of Epps, Louisiana was incorporated under the provisions of the Lawrason Act in 1939. The Village operates under a Board of Alderman-Mayor form of government and provides the following services as authorized by its charter: public safety, highways and streets, sanitation, public improvements and general administrative services. The Village employs 5 people excluding the mayor and the five aldermen.

GASB Statement No. 14, *The Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No 14* established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No 14 and 39, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Village of Epps has no component units as of December 31, 2022.

**Note 1 – Summary of Significant Accounting Policies**

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

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

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

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

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

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

**VILLAGE OF EPPS, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 1 – Summary of Significant Accounting Policies** (continued)

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

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

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

The Village reports the following major governmental funds:

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

The Village reports the following major proprietary fund:

The Water and Sewer Fund provides water and sewer services to the citizens inside the Village's boundaries. It accounts for all revenues and expenses associated with providing water and sewer service.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations.

Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**VILLAGE OF EPPS, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 1 – Summary of Significant Accounting Policies** (continued)

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principle operating revenues derived from the proprietary funds include water and sewer fees along with new installation fees. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

**C. Deposits and Investments**

The Village's cash and cash equivalents are considered to be cash on hand and demand deposits. State law allows the Village to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

**D. Receivables**

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The Village uses the allowance method for uncollectible water fees and writes off accounts when it deems them to be totally uncollectible.

**E. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated

**VILLAGE OF EPPS, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 1 – Summary of Significant Accounting Policies** (continued)

**E. Capital Assets** (continued)

assets are recorded as capital assets at their estimated fair market value at the date of donation. Approximately 90 percent of the Village’s capital assets have been capitalized at cost and the remaining 10 percent have been capitalized at estimated cost based on the historical cost of similar assets. The Village maintains a threshold level of \$1,000 or more capitalizing capital assets.

As permitted by GASB 34, the Village has elected not to report infrastructure assets retroactively.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The Village had no interest to capitalize under construction.

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

| <u>Description</u>                  | <u>Estimated Lives</u> |
|-------------------------------------|------------------------|
| Buildings and building improvements | 25-40 Years            |
| Furniture and fixtures              | 5-10 Years             |
| Vehicles                            | 5-20 Years             |
| Equipment                           | 7-15 Years             |
| Sewer System                        | 20-40 Years            |
| Water System                        | 20-40 Years            |

**F. Compensated Absences**

Permanent, full-time employees receive from five to fifteen days of vacation leave depending on length of service on the employees’ anniversary date of employment. Employees may not accumulate or carry over annual leave from one anniversary date of employment to another. Sick leave is earned at the rate of one day for each month worked, however, no employee may accumulate more than ten days of sick leave per year, nor accumulate more than a total of thirty days of sick leave. Employees who resign, retire, or who are dismissed from employment will not be paid for accumulated sick leave.

**G. Long-Term Obligations**

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



**VILLAGE OF EPPS, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 1 – Summary of Significant Accounting Policies** (continued)

**H. Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. Property taxes that are received before the period for which the taxes are levied are reported as deferred inflows of resources.

**I. Net Position/Fund Balance**

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form- prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted Fund Balance*—This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance*—These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions 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 aldermen 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 fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned Fund Balance*—This classification reflects the amounts constrained by the Village’s “intent” to be used for specific purposes but are neither restricted nor committed. The village aldermen 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 nor committed.

*Unassigned Fund Balance*—This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

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—committed, assigned and unassigned—in order as needed.

**VILLAGE OF EPPS, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**J. Estimates**

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

**Note 2 – Stewardship, Compliance, and Accountability**

*Budget Information.* The Village uses the following budget practices:

A proposed budget for the General Fund, prepared on the modified accrual basis of accounting is normally presented to the board of aldermen in December each year. The budget is legally adopted by the board of aldermen and amended during the year as necessary. Budgets are established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. There was one budget amendment during the year ended December 31, 2022.

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

**Note 3 – Cash and Cash Equivalents**

At December 31, 2022, the Village has cash and cash equivalents (book balances) totaling \$332,318 as follows:

|                 | General Fund | Water and<br>Sewer Fund | Totals     |
|-----------------|--------------|-------------------------|------------|
| Demand Deposits | \$ 14,250    | \$ 317,926              | \$ 332,176 |
| Cash on Hand    | 142          | -                       | 142        |
|                 | \$ 14,392    | \$ 317,926              | \$ 332,318 |

**Custodial Credit Risk – Deposits.** The custodial credit risk is the risk that in the event of a bank failure, the Village’s deposits may not be returned to it. The Village’s policy to ensure there is not exposure to this risk is to require the financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Accordingly, the Village had no custodial credit risk related to its deposits at December 31, 2022.

These deposits are stated at cost, which approximates market 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 market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually accepted to both parties.

**VILLAGE OF EPPS, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 3 – Cash and Cash Equivalents (continued)**

At December 31, 2022, the Village has \$333,313 in deposits (collected bank balances). These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually accepted to both parties. Guaranty Bank had a pledged security with a face and market value of \$100,000. Cash, cash equivalents (bank balances), at December 31, 2022 are secured as follows:

|                           |                   |
|---------------------------|-------------------|
| Bank Balances             | \$ <u>333,313</u> |
| Federal Deposit Insurance | 250,000           |
| Pledged Securities        | <u>83,313</u>     |
|                           | <u>\$ 333,313</u> |

**Note 4 – Receivables**

The receivables of \$18,936 at December 31, 2022 are as follows:

| Class of Receivable  | General Fund      | Water and<br>Sewer Fund | Totals        |
|----------------------|-------------------|-------------------------|---------------|
| Property Taxes       | \$ 4,024          | \$ -                    | \$ 4,024      |
| Sales Taxes          | 1,794             | -                       | 1,794         |
| Charges for Services | <u>          </u> | <u>13,118</u>           | <u>13,118</u> |
|                      | \$ 5,818          | \$ 13,118               | \$ 18,936     |

The proprietary funds have an allowance account of \$1,908 and used the direct write-off method when an account is deemed uncollectible.

**Note 5 – Capital Assets**

Capital Assets and depreciation activity as of and for the year ended December 31, 2022 for the primary government is as follows:

|   | Balance<br><u>12/31/2021</u> | <u>Additions</u>  | <u>Deletions</u>  | Balance<br><u>12/31/2022</u> |
|---|------------------------------|-------------------|-------------------|------------------------------|
| Government Activities:                            |                              |                   |                   |                              |
| Non-Depreciable Assets:                           |                              |                   |                   |                              |
| Land  | \$ 129,000                   | \$ -              | \$ -              | \$ 129,000                   |
| Depreciable Assets:                               |                              |                   |                   |                              |
| Buildings & Improvements                          | 450,763                      | -                 | -                 | 450,763                      |
| Vehicles & Equipment                              | 244,411                      | -                 | -                 | 244,411                      |
| Street Improvements                               | <u>473,961</u>               | <u>          </u> | <u>          </u> | <u>473,961</u>               |
| Total Capital Assets Being Depreciated            | 1,169,135                    | -                 | -                 | 1,169,135                    |
| Less Accumulated Depreciation                     | <u>663,238</u>               | <u>32,085</u>     | <u>          </u> | <u>695,323</u>               |
| Total Capital Assets Being Depreciated, net       | <u>505,897</u>               | <u>32,085</u>     | <u>          </u> | <u>473,812</u>               |
| Total Governmental Activities Capital Assets, net | <u>\$ 634,897</u>            | <u>\$ 32,085</u>  | <u>\$ -</u>       | <u>\$ 602,812</u>            |

**VILLAGE OF EPPS, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 5 – Capital Assets** (continued)

Business-Type Activities:

Non-Depreciable Assets:

|      |           |      |      |           |
|------|-----------|------|------|-----------|
| Land | \$ 29,000 | \$ - | \$ - | \$ 29,000 |
|------|-----------|------|------|-----------|

Depreciable Assets:

|  |           |   |   |           |
|--|-----------|---|---|-----------|
| Water & Sewer Systems and Improvements | 2,934,294 | - | - | 2,934,294 |
|--|-----------|---|---|-----------|

|          |        |   |   |        |
|----------|--------|---|---|--------|
| Building | 11,235 | - | - | 11,235 |
|----------|--------|---|---|--------|

|           |        |   |   |        |
|-----------|--------|---|---|--------|
| Equipment | 54,069 | - | - | 54,069 |
|-----------|--------|---|---|--------|

|  |           |   |   |           |
|--|-----------|---|---|-----------|
| Total Capital Assets Being Depreciated | 2,999,598 | - | - | 2,999,598 |
|--|-----------|---|---|-----------|

|                               |           |        |   |           |
|-------------------------------|-----------|--------|---|-----------|
| Less Accumulated Depreciation | 2,314,701 | 80,251 | - | 2,394,952 |
|-------------------------------|-----------|--------|---|-----------|

|   |         |        |   |         |
|---|---------|--------|---|---------|
| Total Capital Assets Being Depreciated, net | 684,897 | 80,251 | - | 604,646 |
|---|---------|--------|---|---------|

|  |            |           |      |            |
|--|------------|-----------|------|------------|
| Total Business-Type Activities Capital Assets, net | \$ 713,897 | \$ 80,251 | \$ - | \$ 633,646 |
|--|------------|-----------|------|------------|

Depreciation expense of \$32,085 was charged to the general government functions and \$80,251 was charged to the water and sewer business-type activities function for the year ended December 31, 2022.

**Note 6 – Interfund Receivables/Payables**

Short-term cash loans between funds are considered temporary in nature. These amounts are reported as “due from/to other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

At December 31, 2022 there was \$0 in interfund receivables and payables.

**Note 7 – Long-Term Obligations**

The following is a summary of the long-term obligation transactions for the year ended December 31, 2022:

|                           | Revenue Bonds<br>Payable |
|---------------------------|--------------------------|
| Balance December 31, 2021 | \$ 80,398                |
| Additions                 | -                        |
| Reductions                | (11,340)                 |
| Balance December 31, 2022 | <u>\$ 69,058</u>         |

Interest expense of \$4,515 was charged to the water and sewer business-type activities function for the year ended December 31, 2022.

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of December 31, 2022:



**VILLAGE OF EPPS, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 7 – Long-Term Obligations** (continued)

|           |                  |
|-----------|------------------|
|           | Revenue Bonds    |
|           | <u>Payable</u>   |
| Current   | \$ 12,039        |
| Long-Term | <u>57,019</u>    |
| Total     | <u>\$ 69,058</u> |

Revenue bonds payable in the amount of \$69,058 and matures in 2027 and an interest rate of 6.0%.

The individual bonds are as follows:

|                       |                  |
|-----------------------|------------------|
|                       | <u>\$237,000</u> |
|                       | <u>Bonds</u>     |
| Original Issue Date   | 4/5/1988         |
| Interest Rate         | 6.00%            |
| Final Payment Due     | 12/31/2027       |
| Interest to Maturity  | \$ 11,182        |
| Principal Outstanding | \$ 69,058        |

|                |                  |
|----------------|------------------|
| Funding Source | Water<br>Revenue |
|----------------|------------------|

The loans are due as follows:

|                          |                  |
|--------------------------|------------------|
| Year Ending December 31, | <u>Principal</u> |
|                          | <u>Payments</u>  |
| 2023                     | \$ 12,039        |
| 2024                     | 12,782           |
| 2025                     | 13,570           |
| 2026                     | 14,407           |
| 2027                     | <u>16,260</u>    |
| Total                    | <u>\$ 69,058</u> |

**Note 8 – Bond Covenant Requirements**

The bond covenants with the United States Department of Agriculture, Farmers Home Administration for the 1988 Water Revenue Bonds discussed in Note 7 above, require the Village to establish the following reserve accounts:

- A. A “Reserve Fund”. The Village must transfer \$82 into this fund each month until \$19,558 has been accumulated therein. Such amounts may be used only for the payment of maturing bonds and interest for which would otherwise be in default.

**VILLAGE OF EPPS, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 8 – Bond Covenant Requirements** (continued)

- B. A “Contingency Fund”. The Village must transfer \$97 into this fund each month. The deposits in this fund may be used for unusual or extraordinary maintenance, repairs, replacements, and extensions and for the cost of improvements to the system. Money in this fund may also be used to pay principal and interest on bonds falling due at any time there is not sufficient funds in the other reserve funds.
- C. A “Sinking Fund”. The Village must transfer into this fund, each month, one-twelfth of the principal and interest due on the next principal and interest payment date. This fund is used to pay bond principal and interest as they become due.

**Note 9 – Retirement System**

Due to the financial condition of the Village, and due to high employee turnover, no employees are currently participating in any retirement system.

**Note 10 – Risk Management and Contingent Liabilities**

The Village purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

**Note 11 – Subsequent Events**

In preparing these financial statements, the Village has evaluated events and transactions for potential recognition or disclosure through June 29, 2023, the date the financial statements were available to be issued.

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

**VILLAGE OF EPPS, LOUISIANA**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|   | <u>Budgeted Amounts</u> |                 | <u>Actual</u>    | Variance   |
|---|-------------------------|-----------------|------------------|--|
|   | <u>Original</u>         | <u>Final</u>    |                  | With Final<br>Budget<br>Favorable<br>(Unfavorable) |
| <b><u>Revenues</u></b>  |                         |                 |                  |  |
| Franchise Tax   | \$ 11,000               | \$ 9,168        | \$ 9,168         | \$ -   |
| Ad Valorem Tax  | 16,000                  | 10,034          | 17,383           | 7,349  |
| Sales Tax   | 21,000                  | 16,971          | 19,078           | 2,107  |
| Licenses and Permits  | 18,850                  | 22,019          | 23,498           | 1,479  |
| Intergovernmental Revenues:                                     |                         |                 |                  |  |
| State Funds:  |                         |                 |                  |  |
| Grant   | 20,000                  | 672             | 2,802            | 2,130  |
| Fines and Tickets   | 15,000                  | 10,192          | 10,856           | 664  |
| Rent  | 7,500                   | 3,100           | 3,800            | 700  |
| Other Revenues  | 3,530                   | 4,896           | 5,617            | 721  |
| <b>Total Revenues</b>   | <u>112,880</u>          | <u>77,052</u>   | <u>92,202</u>    | <u>15,150</u>                                      |
| <b><u>Expenditures</u></b>                                      |                         |                 |                  |  |
| General Government  | 107,350                 | 99,301          | 39,841           | 59,460   |
| Public Safety and Protection                                    | -                       | -               | 67,141           | (67,141)   |
| Capital Outlay  | -                       | -               | -                | -  |
| <b>Total Expenditures</b>                                       | <u>107,350</u>          | <u>99,301</u>   | <u>106,982</u>   | <u>(7,681)</u>                                     |
| <b><u>Excess (Deficiency) of Revenues Over Expenditures</u></b> |                         |                 |                  |  |
|   | 5,530                   | (22,249)        | (14,780)         | 7,469  |
| <b><u>Other Financing Sources and (Uses)</u></b>                |                         |                 |                  |  |
| Transfers In  | -                       | -               | -                | -  |
| Transfers Out   | -                       | -               | -                | -  |
| <b>Total Other Financing Sources and Uses</b>                   | <u>-</u>                | <u>-</u>        | <u>-</u>         | <u>-</u>   |
| <b><u>Net Change in Fund Balance</u></b>                        |                         |                 |                  |  |
|   | 5,530                   | (22,249)        | (14,780)         | 7,469  |
| <b><u>Fund Balance (Deficit) at Beginning of Year</u></b>       |                         |                 |                  |  |
|   | <u>28,740</u>           | <u>28,740</u>   | <u>28,740</u>    | <u>-</u>   |
| <b><u>Fund Balance (Deficit) at End of Year</u></b>             |                         |                 |                  |  |
|   | <u>\$ 34,270</u>        | <u>\$ 6,491</u> | <u>\$ 13,960</u> | <u>\$ 7,469</u>                                    |

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

**VILLAGE OF EPPS, LOUISIANA**  
**NOTES TO THE BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Budget Information.** The Village uses the following budget practices:

A proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is normally presented to the board of aldermen in December each year. The budget is legally adopted by the board of aldermen and amended during the year as necessary. Budgets are established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. The budget was not amended during the year ended December 31, 2022.

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

**OTHER SUPPLEMENTAL INFORMATION**

**VILLAGE OF EPPS, LOUISIANA**  
**SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS**  
**AND OTHER PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDING DECEMBER 31, 2022**

Agency Head

Brittney Clark, Mayor

The Mayor did not receive any compensation, reimbursements, or other payments for the year ending December 31, 2022.

See independent accountant's review report and notes to the financial statements.

**VILLAGE OF EPPS, LOUISIANA**  
**SCHEDULE OF COMPENSATION PAID TO THE ELECTED OFFICIALS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                   |       |        |
|-----------------------------------|-------|--------|
| Alderman Raymond E Hale           | \$    | 1,125  |
| Alderwoman Rosa Fair              |       | 1,500  |
| Alderwoman Shirley Gibson         |       | 1,000  |
| Roosevelt Porter, Chief of Police |       | 24,000 |
|                                   | <hr/> |        |
|                                   | \$    | 27,625 |

See independent accountant's review report and notes to the financial statements.



| Justice System Funding Schedule - Collecting/Disbursing Entity  |  |   |
|---|--|---|
| As Required by Act 87 of the 2020 Regular Legislative Session   |  |   |
| Identifying Information   |  |   |
| Entity Name   | Village of Epps                            |   |
| LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)  | 2370                                       |   |
| Date that reporting period ended (mm/dd/yyyy)   | 12/31/22                                   |   |
|   | First Six Month Period Ended<br>06/30/2022 | Second Six Month Period Ended<br>12/31/2022 |
| Cash Basis Presentation   |  |   |
| Beginning Balance of Amounts Collected (i.e. cash on hand)  | -  | 1,600                                       |
| <b>Add: Collections</b>   |  |   |
| Civil Fees (including refundable amounts such as garnishments or advance deposits )   | 0  | 0   |
| Bond Fees   | 0  | 0   |
| Asset Forfeiture/Sale   | 0  | 0   |
| Pre-Trial Diversion Program Fees  | 0  | 0   |
| Criminal Court Costs/Fees   |  |   |
| Criminal Fines - Contempt   |  |   |
| Criminal Fines - Other  | 2,836                                      | 5,793                                       |
| Restitution   | 0  | 0   |
| Probation/Parole/Supervision Fees   | 0  | 0   |
| Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)  |  |   |
| Interest Earnings on Collected Balances   | 0  | 0   |
| Other (do not include collections that fit into more specific categories above)   |  |   |
| <b>Subtotal Collections</b>   | <b>2,836</b>                               | <b>5,793</b>                                |
| <b>Less: Disbursements To Governments &amp; Nonprofits:</b> (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.) |  |   |
| La. Commission on Law Enforcement Court Cost Fees   | 143  | 174   |
| CMIS Trial Court Case Management Info System Court Cost Fees  | 15   | 23  |
| North La. Crime Lab Court Cost Fees   | 30   | 50  |
| La. Traumatic Head and Spinal Cord Injury Court Cost Fees   | 35   | 95  |
| La. Judicial College Court Cost Fees  | 8  | 12  |
| <b>Less: Amounts Retained by Collecting Agency</b>  |  |   |
| Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection  |  |   |
| Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount  | 0  | 0   |
| Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other (Additional rows may be added as necessary)  | 0  | 0   |
| Criminal Court Costs/Fees   | 600  | 815   |
| Criminal Fines - Other  | 405  | 640   |
| <b>Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>   |  |   |
| Civil Fee Refunds   | 0  | 0   |
| Bond Fee Refunds  | 0  | 0   |
| Restitution Payments to Individuals (additional detail is not required)   | 0  | 0   |
| Other Disbursements to Individuals (additional detail is not required)  | 0  | 0   |
| Payments to 3rd Party Collection/Processing Agencies  |  |   |
| <b>Subtotal Disbursements/Retainage</b>   | <b>1,236</b>                               | <b>1,809</b>                                |
| <b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>  | <b>1,600</b>                               | <b>5,584</b>                                |
| <b>Ending Balance of "Partial Payments" Collected but not Disbursed</b> (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.  | 0  | 0   |
| <b>Other Information:</b>   |  |   |
| Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)  | 0  | 0   |
| Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)   |  | 18,677                                      |

**VILLAGE OF EPPS, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**2022-01     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 Village feels that the cost of hiring more staff far exceeds its benefits.

**2022-02     Compliance with Local Government Budget Act**

**Criteria**

Louisiana Revised Statute 39:1311 requires that the Village budget should be amended if there is a 5% or greater overage in budgeted revenues as compared to actual revenues or a 5% or greater overage in actual expenditures as compare to budgeted expenditures.

**Condition**

For the year ended December 31, 2022, the Village's General Fund actual expenditures exceeded its budgeted expenditures by more than 5%.

**Cause**

The Village amended the budget but still had a variance in expenditures greater than 5%.

**Effect**

The Village was not in compliance with the Local Government Budget Act.

**Recommendation**

The Village should monitor the budget so that it can be amended as needed. The contracted accounting firm should assist the Village with budget amendments.

**Response**

The Village will closely monitor its revenues and expenditures and compare regularly to the budget.

**VILLAGE OF EPPS, LOUISIANA**  
**STATUS OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**2021-01     Inadequate Segregation of Accounting Duties**

**Condition Found**

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

**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 to Prevent Future Occurrences**

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**

The finding was repeated as finding 2022-01.

**2021-02     Timekeeping Procedures**

**Condition Found**

The Village does not require timesheets on all employees.

**Effect**

The Village could be in Violation of state law.

**Recommendation to Prevent Future Occurrences**

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

**Current Status**

The finding has been cleared.



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

To the Mayor and Board of Alderman  
Village of Epps  
Epps, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the Village of Epps (the Village) and the Louisiana Legislative Auditor, on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2022, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Village is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

**Public Bid Law**

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

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

**Code of Ethics for Public Officials and Public Employees**

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

*Management provided me with the requested information.*





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

*Management provided me with the requested information.*

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

*No names appeared on both lists provided in #3 and #2.*

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

*No names appeared on both lists.*

#### **Budgeting**

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

*Management provided me with the requested information.*

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

*I traced adoption of the original budget to the minutes.*

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

*The Village's actual expenditures exceeded the amended budget by 7%.*

#### **Accounting and Reporting**

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

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

#### **Meetings**

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

*Management represented that meeting agendas were posted as required by R.S. 42:11 through 42:28.*

#### **Debt**

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

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

#### **Advances and Bonuses**

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

*Scanned board meeting minutes and payroll disbursements and found no evidence of payments or approval of payments that would constitute bonuses, advances or gifts.*

#### **State Audit Law**

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

*The Village's report was submitted by the due date of June 30, 2023.*

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

*N/A*

Village of Epps  
Epps, Louisiana  
June 29, 2023

**Prior-Year Comments**

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

*My prior year report dated June 30, 2022, did not include any suggestions, exceptions, recommendations, or comments.*

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

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

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

Maxwell CPA, LLC

Monroe, Louisiana  
June 29, 2023

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
(For Attestation Engagements of Governmental Agencies)

6/29/23 (Date Transmitted)

Maxwell CPA, LLC (CPA Firm Name)

Po Box 1327 (CPA Firm Address)

Sterlington, LA 71280 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 12/31/22 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

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

Yes  No [ ] N/A [ ]

**Code of Ethics for Public Officials and Public Employees**

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

Yes  No [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

**Budgeting**

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

Yes  No [ ] N/A [ ]

**Accounting and Reporting**

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

Yes  No [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]



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

Yes  No [ ] N/A [ ]

**Meetings**

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

Yes  No [ ] N/A [ ]

**Debt**

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

Yes  No [ ] N/A [ ]

**Advances and Bonuses**

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

Yes  No [ ] N/A [ ]

**Prior-Year Comments**

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

Yes  No [ ] N/A [ ]

**General**

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

Yes  No [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will

disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes  No [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

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

|                         |           |                  |      |
|-------------------------|-----------|------------------|------|
| <u>Thad M. Cooper</u>   | Secretary | <u>6-29-2023</u> | Date |
| <u>Terri McCardell</u>  | Treasurer | <u>6-29-2023</u> | Date |
| <u>Brittly W. Clark</u> | President | <u>6-29-2023</u> | Date |