

VILLAGE OF DRY PRONG, LOUISIANA

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023**



TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1 - 3
REQUIRED SUPPLEMENTAL INFORMATION (PART I)	
Management's Discussion and Analysis	4 - 7
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position.....	8
Statement of Activities	9
FUND FINANCIAL STATEMENTS	
Governmental Funds	
Balance Sheet.....	10
Statement of Revenues, Expenditures and Changes in Fund Balance.....	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund	
Fund Balances of Governmental Funds to the Statement of Activities	12
Proprietary Funds	
Statement of Net Position.....	13
Statement of Revenues, Expenditures and Changes in Fund Net Position.....	14
Statement of Cash Flows	15
NOTES TO FINANCIAL STATEMENTS	16 – 24
REQUIRED SUPPLEMENTAL INFORMATION (PART II)	
General Fund - Statement of Revenues and Changes in Fund	
Balances (Budget and Actual)	25 – 26
OTHER SUPPLEMENTAL INFORMATION	
Schedule of Compensation, Benefits and Other Payments to Agency	
Head or Chief Executive Officer.....	27
Schedule of Per Diem Paid to Board Members.....	28
Justice System Funding Schedule – Collecting / Disbursing Entity.....	29
OTHER REPORTS	
Independent Auditors' Report on Compliance and on Internal Control over	
Financial Reporting Based on an Audit of Financial Statements	
Performed in Accordance With <i>Government Auditing Standards</i>	30 – 31
ADDITIONAL INFORMATION	
Schedule of Findings.....	32
Management's Corrective Action Plan	33
Schedule of Prior Year Findings	34
STATEWIDE AGREED UPON PROCEDURES REPORT	Appendix A



November 9, 2023

Independent Auditors' Report

To the Mayor and Board of Aldermen
Village of Dry Prong, Louisiana

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Dry Prong, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Dry Prong and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of



Rozier, McKay & Willis
Certified Public Accountants
Voice: 318.442.1608

1407 Peterman Drive
Alexandria, Louisiana 71301
Online: CenlaCPAs.com

Village of Dry Prong

November 9, 2023

internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information described in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The additional information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2023 on our consideration of the Village of Dry Prong's internal control over financial reporting and on our tests of its compliance with

Village of Dry Prong
November 9, 2023

certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Dry Prong's internal control over financial reporting and compliance.

A handwritten signature in blue ink, reading "Rozier, McKay & Willis".

Rozier, McKay & Willis
Certified Public Accountants

VILLAGE OF DRY PRONG

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

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

OVERVIEW OF FINANCIAL STATEMENTS

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

Government –Wide Financial Statements

The government-wide financial statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Village's assets (including infrastructure acquired after July 1, 2001) and all of the Village's liabilities (including long-term debt).

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

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

Fund Financial Statements

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

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

VILLAGE OF DRY PRONG

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

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

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

A comparative analysis of government-wide data is presented as follows:

Net Position

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

	June 30, 2023			June 30, 2022
	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	
<u>Assets:</u>				
Current and Other Assets	\$ 114,320	\$ 107,907	\$ 222,227	\$ 293,710
Internal Balances	317,776	(317,776)	----	----
Capital Assets	512,903	2,419,891	2,932,794	3,064,467
Total Assets	<u>944,999</u>	<u>2,210,022</u>	<u>3,155,021</u>	<u>3,358,177</u>
<u>Liabilities:</u>				
Current and Other Liabilities	121,711	55,678	177,389	188,853
Long-term Liabilities	----	79,778	79,778	93,836
Total Liabilities	<u>121,711</u>	<u>135,456</u>	<u>257,167</u>	<u>282,689</u>
<u>Net Position:</u>				
Invested in Capital Assets (Net)	512,903	2,326,055	2,838,958	2,957,146
Restricted	3,109	----	3,109	61,109
Unrestricted	307,276	(251,489)	55,787	57,233
Total Net Position	<u>\$ 823,288</u>	<u>\$ 2,074,566</u>	<u>\$ 2,897,854</u>	<u>\$ 3,075,488</u>

As the presentation appearing above demonstrates, the largest portion of the Village's net position (98.0%) is invested in capital assets. Net Position invested in capital assets consist of land, buildings, and equipment less any debts used to acquire assets that remain outstanding. In addition, net position invested in capital assets also include any infrastructure acquired after July 1, 2001. The Village uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

An additional portion of the net position (0.1%) is subject to restrictions that are imposed by revenue sources.

The remaining net position (1.9%), is unrestricted and can be used at the discretion of the governing body.

VILLAGE OF DRY PRONG

MANAGEMENT'S DISCUSSION AND ANALYSIS **June 30, 2023**

Changes in Net Position

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

	For the Year Ended June 30, 2023			For the Year Ended June 30, 2022
	Gov- ern- men- tal Acti- vities	Busi- ness- Type Acti- vities	Total	
<u>Revenues:</u>				
Program Revenue:				
Charges for Services	\$ 114,206	\$ 220,216	\$ 334,422	\$ 269,023
Operating Grants and Contributions	22,370	----	22,370	23,774
Capital Grants and Contributions	----	----	----	----
General Revenue:				
Property Taxes	15,046	----	15,046	14,277
Franchise Taxes	23,373	----	23,373	19,178
Sales Taxes	101,472	----	101,472	87,876
Occupational Licenses	47,944	----	47,944	44,200
Miscellaneous	14,265	----	14,265	11,168
Total Revenue	<u>338,676</u>	<u>220,216</u>	<u>558,892</u>	<u>469,496</u>
<u>Program Expenses:</u>				
General Government	176,164	----	176,164	157,835
Streets	40,519	----	40,519	34,419
Public Safety				
Police Department	144,981	----	144,981	48,721
Utilities	----	374,862	374,862	341,689
Total Expenses	<u>361,664</u>	<u>374,862</u>	<u>736,526</u>	<u>582,664</u>
Change in Net Position	(22,988)	(154,646)	(177,634)	(113,168)
Net Position Beginning	<u>846,276</u>	<u>2,229,212</u>	<u>3,075,488</u>	<u>3,188,656</u>
Net Position Ending	<u>\$ 823,288</u>	<u>\$ 2,074,566</u>	<u>\$ 2,897,854</u>	<u>\$ 3,075,488</u>

Governmental activities decreased the Village's net position by \$22,988. The decrease is attributable using reserves to supplement services.

Business-type activities decreased the Village's net position by \$154,646. The decrease is attributable to depreciation of assets acquired with grant funds in previous years. Changes in net position excluding capital grants, contributions and depreciation for the utility system are presented as follows:

VILLAGE OF DRY PRONG

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

	<u>Current</u>	<u>Prior</u>
Change in Net Position	\$ (177,634)	\$ (113,168)
Capital Grants and Contributions	----	----
Depreciation	<u>196,760</u>	<u>183,781</u>
Change in Net Position Excluding Capital Grants, Contributions and Depreciation	<u>\$ 19,126</u>	<u>\$ 70,613</u>

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

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

BUDGET HIGHLIGHTS

Actual expenditures were consistent with appropriations and no budget revisions were necessary.

CAPITAL ASSET ADMINISTRATION

For the year ended June 30, 2023, activity was limited to depreciating existing capital assets, completing construction of street improvements, and replacing police vehicles that were nearing completion at year end.

DEBT ADMINISTRATION

Activity was limited to making scheduled payments on existing outstanding debt.

FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

At the present time, management is not aware of any matters that are expected to have substantial consequences for future operations.

VILLAGE OF DRY PRONG

STATEMENT OF NET POSITION

JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 96,164	\$ 64,800	\$ 160,964
Receivables (net)	18,156	43,107	61,263
Internal balances	317,776	(317,776)	-
Land	51,883	41,369	93,252
Depreciable capital assets, net	<u>461,020</u>	<u>2,378,522</u>	<u>2,839,542</u>
Total assets	<u>944,999</u>	<u>2,210,022</u>	<u>3,155,021</u>
<u>LIABILITIES</u>			
Accounts payable	17,876	-	17,876
Delayed revenue	103,835	-	103,835
Accrued interest payable	-	3,270	3,270
Meter deposits	-	38,350	38,350
Liabilities payable from restricted assets			
Long-term debt			
Due within one year	-	14,058	14,058
Due in more than one year	<u>-</u>	<u>79,778</u>	<u>79,778</u>
Total liabilities	<u>121,711</u>	<u>135,456</u>	<u>257,167</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	512,903	2,326,055	2,838,958
Restricted for:			
Street improvements	3,109	-	3,109
Unrestricted	<u>307,276</u>	<u>(251,489)</u>	<u>55,787</u>
Total net position (deficit)	<u>\$ 823,288</u>	<u>\$ 2,074,566</u>	<u>\$ 2,897,854</u>

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

VILLAGE OF DRY PRONG

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business- Type Activities	Total
<u>Governmental Activities:</u>							
General Government	\$ 176,164	\$ -	\$ 22,370	\$ -	\$ (153,794)	\$ -	\$ (153,794)
Streets	40,519	-	-	-	(40,519)	-	(40,519)
Public Safety							
Law Enforcement	144,981	114,206	-	-	(30,775)	-	(30,775)
Total Governmental Activities	361,664	114,206	22,370	-	(225,088)	-	(225,088)
<u>Business-Type Activities:</u>							
Utility Service	374,862	220,216	-	-	-	(154,646)	(154,646)
Total Business-Type Activities	374,862	220,216	-	-	-	(154,646)	(154,646)
Total Primary Government	<u>\$ 736,526</u>	<u>\$ 334,422</u>	<u>\$ 22,370</u>	<u>\$ -</u>	<u>(225,088)</u>	<u>(154,646)</u>	<u>(379,734)</u>
<u>General Revenues:</u>							
Taxes:							
Ad Valorem					15,046	-	15,046
Franchise					23,373	-	23,373
Sales					101,472	-	101,472
Occupational Licenses					47,944	-	47,944
Miscellaneous					14,265	-	14,265
Total General Revenues					202,100	-	202,100
Change in Net Position					(22,988)	(154,646)	(177,634)
Net Position Beginning					846,276	2,229,212	3,075,488
Net Position Ending					<u>\$ 823,288</u>	<u>\$ 2,074,566</u>	<u>\$ 2,897,854</u>

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

VILLAGE OF DRY PRONG

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2023

	General	Sales Tax	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 93,055	\$ 3,109	\$ 96,164
Accounts receivable	18,156	-	18,156
Due from other funds	317,776	-	317,776
Total assets	<u>\$ 428,987</u>	<u>\$ 3,109</u>	<u>\$ 432,096</u>
Liabilities and Fund Balance			
<u>Liabilities</u>			
Accounts payable	\$ 17,876	\$ -	\$ 17,876
Delayed revenues	103,835	-	103,835
Total liabilities	<u>121,711</u>	<u>-</u>	<u>121,711</u>
<u>Fund Balance</u>			
Nonspendable:			
Long Term advances to other funds	233,858	-	233,858
Restricted For:			
Street improvements	-	3,109	3,109
Unassigned	73,418	-	73,418
Total Fund Balances	<u>307,276</u>	<u>3,109</u>	<u>310,385</u>
Total Liabilities and Fund Balance	<u>\$ 428,987</u>	<u>\$ 3,109</u>	<u>\$ 432,096</u>

Reconciliation of the Governmental Funds Balance Sheets to the Statement of Net Position		
Total Fund Balances - Governmental Funds	\$	310,385
Amounts reported for governmental activities in the statement of net position are different because:		
Long term debt incurred to finance governmental activities does require the use of financial resources; therefore, the debt is excluded from the funds financial statements.		-
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		512,903
Net Position of Governmental Activities	\$	<u>823,288</u>

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

VILLAGE OF DRY PRONG

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

	General	Sales Tax	Total Governmental Funds
<u>Revenues:</u>			
Taxes:			
Ad valorem	\$ 15,046	\$ -	\$ 15,046
Franchise	23,373	-	23,373
Sales tax	101,472	-	101,472
Occupational licenses	47,944	-	47,944
Fines and court cost	114,206	-	114,206
Intergovernmental	22,370	-	22,370
Miscellaneous	14,265	-	14,265
Total revenues	<u>338,676</u>	<u>-</u>	<u>338,676</u>
<u>Expenditures:</u>			
Current			
General government	171,915	-	171,915
Public safety - law enforcement	137,975	-	137,975
Capital outlay	65,088	-	65,088
Total expenditures	<u>374,978</u>	<u>-</u>	<u>374,978</u>
Excess (deficiency) of revenues over expenditures	(36,302)	-	(36,302)
Other sources (uses)			
Operating transfers in (out)	<u>58,000</u>	<u>(58,000)</u>	<u>-</u>
Net Change in fund balances	21,698	(58,000)	(36,302)
Fund balance - beginning of year	<u>285,578</u>	<u>61,109</u>	<u>346,687</u>
Fund balance - end of year	<u>\$ 307,276</u>	<u>\$ 3,109</u>	<u>\$ 310,385</u>

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

VILLAGE OF DRY PRONG

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2023

Net change in fund balances of Governmental Funds	\$	(36,302)
---	----	----------

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

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

Capital Expenditures	65,088	
Depreciation	<u>(51,774)</u>	<u>13,314</u>

Change in net position of governmental activities	\$	<u><u>(22,988)</u></u>
---	----	------------------------

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

VILLAGE OF DRY PRONG

Statement of Net Position

Proprietary Funds

June 30, 2023

	Business-Type Activities Utility Enterprise Fund
<u>ASSETS:</u>	
Current Assets:	
Cash and cash equivalents	\$ 64,800
Receivables (net)	43,107
Other assets	<u>-</u>
Total current assets	<u>107,907</u>
Noncurrent Assets:	
Capital Assets:	
Land	41,369
Depreciable capital assets, net	<u>2,378,522</u>
Total noncurrent assets	<u>2,419,891</u>
 Total assets	 <u><u>2,527,798</u></u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Other Current Liabilities	3,270
Due to other funds	317,776
Meter deposits	38,350
Current portion of certificate of indebtedness	<u>14,058</u>
Total current liabilities	<u>373,454</u>
Noncurrent Liabilities:	
Certificate of indebtedness	<u>79,778</u>
 Total liabilities	 <u><u>453,232</u></u>
 <u>NET POSITION</u>	
Invested in capital assets, net of related debt	2,326,055
Unrestricted	<u>(251,489)</u>
 Total net position (deficit)	 <u><u>\$ 2,074,566</u></u>

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

VILLAGE OF DRY PRONG

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

	Business-Type Activities Utility Enterprise Fund
<u>Operating revenues:</u>	
Charges for services	\$ 184,239
Other income	35,977
Total Operating Revenues	<u>220,216</u>
<u>Operating expenses:</u>	
Salaries and payroll taxes	41,913
Chemicals and supplies	40,636
Depreciation	144,987
Repairs and maintenance	108,543
Legal and professional	4,322
Utilities	25,320
Insurance	4,264
Miscellaneous	1,170
Total operating expenses	<u>371,155</u>
Operating income (loss)	<u>(150,939)</u>
<u>Non-operating revenues (expenses):</u>	
Interest expense	(3,707)
Total Non-operating	<u>(3,707)</u>
Income (loss) before capital contributions and transfers	(154,646)
Capital Contributions	<u>-</u>
Change in net position	(154,646)
Total net position - beginning	<u>2,229,212</u>
Total net position - ending	<u><u>\$ 2,074,566</u></u>

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

VILLAGE OF DRY PRONG

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2023

	Business-Type Activities	Utility Enterprise Fund
<u>Cash flow from operating activities:</u>		
Cash received from customers	\$	200,050
Cash payments to suppliers of goods and services		(184,255)
Cash payments to employees for services		(41,913)
Net cash provided (used) by operating activities		(26,118)
<u>Cash flows from non-capital financing activities:</u>		
Increase (Decrease) cash advances due to other funds		(29,777)
Net cash provided (used) by non-capital financing activities		(29,777)
<u>Cash flows from capital and related financing activities:</u>		
Payments for acquisition of capital assets		-
Principle paid on debt		(13,485)
Interest paid on debt instruments		(1,875)
Net cash provided (used) by capital and related financing activities		(15,360)
<u>Cash flows from investing activities:</u>		
Interest and other income		-
Net cash provided (used) by investing activities		-
Net increase (decrease) in cash		(71,255)
Beginning cash balance		136,055
Ending cash balance		64,800
Restricted cash		-
Unrestricted cash	\$	64,800
<u>Reconciliation of operating income (loss) to net cash</u>		
Operating income (loss)	\$	(150,939)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		144,987
(Increase) decrease in accounts receivable		(21,141)
(Increase) decrease in payables		-
(Decrease) increase in meter deposits		975
Net cash provided (used) by operating activities	\$	(26,118)

Supplemental disclosures of cash flow information:

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

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Dry Prong (the Village) was incorporated under the provisions of the Lawrason Act. The Village is governed by a Mayor and a Board of Alderman consisting of three (3) members. Services provided by the Village include police protection and street maintenance. The Village also operates a water distribution system and a sewer system.

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

Financial Reporting Entity

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

Governmental Accounting Standards established criteria for determining which component units should be considered part of the Village of Dry Prong for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Criteria to be considered in determining financial accountability include:

1. Appointing a voting majority of an organization's governing body, and
 - a) The ability of the Village to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Basic Financial Statements

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

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

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

- Governmental Funds – The Village's active major governmental funds include the general fund, sales tax fund and the debt service fund. The general fund is the primary operating fund and is used to account for all governmental activities except those required to be reported in another fund. The sales tax fund is a special revenue fund used to account for sales tax revenue designated for street improvements within the Village. The debt service fund is used accumulate resources for the repayment of sales tax revenue bonds issued to finance street construction.
- Proprietary Funds – Are used to account for business type activities. The operations of the Village's Utility System utilize a single proprietary fund. Revenue earned in exchange for providing services is reported as operating income and revenue from other sources is reported as non-operating.

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Basis of Accounting and Measurement Focus

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

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

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

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

Non-Exchange Transactions

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

Use of Estimates

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

Restricted Assets

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements, tax propositions, and bond covenants.

Budget Practices

The Mayor prepares annual budgets for the Village's general fund and special revenue fund. These budgets are submitted to the Board of Aldermen and the approved budgets are adopted before the beginning of

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

each fiscal year. Amended budgets are prepared prior to the conclusion of each fiscal year. The amended budgets are prepared and approved in the same manner as the original budget.

The general fund and special revenue fund budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles. The Village's remaining funds are not required to adopt budgets.

Capital Assets

Capital assets are carried at historical cost or estimated historical cost including interest incurred during construction. Prior to July 1, 1989, there were few records supporting the cost; therefore, costs related to the Village's utility system were estimated based on information furnished by the Village's consulting engineers. Cost of buildings and equipment acquired prior to July 1, 1989 were estimated based on replacement cost.

Infrastructure capital assets consisting of streets, bridges, sidewalks and drainage systems acquired before July 1, 2001 are excluded from capital assets. Depreciation associated with capital assets is computed using the straight-line method over the estimated useful lives of the assets.

Cash and Cash Equivalents:

Amounts reported as cash and cash equivalents include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

Delayed Revenue:

Amounts collected from grant programs are reported as delayed revenue until the Village has complied with the terms and conditions of the grant program. The amount reported as delayed revenue represents the unexpended portion of grant receipts that are required to be used for specific purposes.

Internal Balances:

All funds paid to vendors are typically disbursed from the General Fund. Amounts paid by the General Fund on behalf of other funds and any reimbursements received by the General Fund are reported as internal receivables and payables. In the government-wide Statement of Net Position internal balances are eliminated except for the presentation of net residual amounts due between governmental and business-type activities.

Fund Balance Classification:

Approval of the majority of the Board of Aldermen is required to approve the commitment of fund balances. In situations where it is permissible to spend restricted or committed resources, the Village typically depletes the available restricted or committed resources before consuming unrestricted resources.

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Statement of Cash Flows:

For the purpose of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in banks and certificates of deposit.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2023, the Village has \$160,866 in deposits (\$193,358 collected bank balance). These deposits are fully protected by federal deposit insurance.

NOTE 3 - RECEIVABLES

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

	Governmental Activities	Business- Type	Total
Sales Tax	\$ 17,832	\$ ----	\$ 17,832
Utility Accounts	----	30,857	30,857
Miscellaneous	324	----	324
Grants	----	24,000	24,000
Reserve for Doubtful Accounts	----	(11,750)	(11,750)
Total	\$ 18,156	\$ 43,107	\$ 61,263

NOTE 4 - LONG-TERM DEBT

Details related to each component of long term debt are presented as follows:

Certificates of Indebtedness

Revenue bonds by fund type are presented as follows:

	Business-Type Activities
Certificates payable, June 30, 2022	\$ 107,321
New issues	----
Retirements	13,485
Certificates payable, June 30, 2023	93,836
Due within one year	14,058
Due in more than one year	\$ 79,778

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Components of the Village's long-term debt are described as follows:

\$162,000 Limited Tax Certificate of Indebtedness directly borrowed from lender September 20, 2016 due in annual installments including interest at a rate of 4.25%, with the final installment due September 1, 2028..... \$ 93,836

A schedule of maturities of long-term debt follows for the years ended June 30:

Year Ended June 30 th	Business-Type Activities	
	Principal	Interest
2024	\$ 14,058	\$ 3,689
2025	14,656	3,079
2026	15,279	2,443
2027	15,928	1,780
2028	16,605	1,089
2029	17,310	368
Total	\$ 93,836	\$ 12,448

NOTE 5 – TAXES:

Ad Valorem Taxes

The Village bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Grant Parish. For the year ended June 30, 2023, the Village levied 6.29 mills for general corporate purposes.

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed.

Sales and Use Taxes

On December 5, 2020, voters of the Village approved a one percent sales and use tax effective January 1, 2021 and expiring December 31, 2029. The proceeds of the sales tax are available for any lawful corporate purpose. Sales and use taxes are collected on behalf of the Village by the Grant Parish Sheriff's Office. Revenues from sales taxes are reported on the accrual basis.

NOTE 6 – CAPITAL ASSETS

A summary of the property and equipment reported by the Village on June 30, 2023 consists of the following:

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Land	\$ 51,883	\$ ----	\$ ----	\$ 51,883
<u>Capital Assets Being Depreciated:</u>				
Construction in Process	186,216	17,044	203,260	----
Street Improvements	588,487	203,260	----	791,747
Buildings and Improvements	218,602	----	----	218,602
Machinery and Equipment	168,742	48,043	33,696	183,089
Total	1,162,047	268,347	236,956	1,193,438
Less Accumulated Depreciation	714,341	51,773	33,696	732,418
Total Net of Depreciation	\$ 447,706	\$ 216,574	\$ 203,260	\$ 461,020
<u>Business-Type Activities</u>				
Land	\$ 41,369	\$ ----	\$ ----	\$ 41,369
<u>Capital Assets Being Depreciated:</u>				
Water Distribution System	\$ 2,931,869	\$ ----	\$ ----	\$ 2,931,869
Wastewater System	2,510,967	----	----	2,510,967
Equipment	290,982	----	----	290,982
Total	5,733,818	----	----	5,733,818
Less Accumulated Depreciation	3,210,309	144,987	----	3,355,296
Total Net of Depreciation	\$ 2,523,509	\$ (144,987)	\$ ----	\$ 2,378,522

Depreciation expense reported by various functions is presented as follows:

<u>Governmental Activities:</u>	
General Government	\$ 4,248
Streets	40,519
Police	7,006
Total Depreciation – Governmental Activities	\$ 51,773
<u>Business-Type Activities:</u>	
Utility Services	\$ 144,987

NOTE 7- RISK MANAGEMENT

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

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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

NOTE 8 – RESTRICTIONS AND COMMITMENTS

Details regarding limitations imposed on the use of various resources are summarized as follows:

Long Term Advances

A portion of the General Funds assets have been advanced to the utility funds and repayment is not anticipated in the near future. Since these resources are not available to finance current expenditures, a portion of the general fund balance is reported as non-spendable.

Street Improvements

In previous years the Village collected a sales tax that was restricted for street improvements. Resources remaining from the restricted sales tax are reported in a special revenue fund and the fund balance is reported as restricted for street improvements.

NOTE 9 – INTERFUND BALANCES

Interfund receivables and payables are described as follows:

	Governmental Activities Receivables (Payables)	Business-Type Activities Receivables (Payables)
As discussed in Note 1, interfund balances arise when the general fund disburses funds on behalf of the water and sewer funds. Reimbursements are submitted periodically but no significant reimbursements are expected within the next year.		
General Fund	\$ 317,776	\$ ----
Utility Fund	----	317,776
Government-Wide Totals	<u>\$ 317,776</u>	<u>\$ 317,776</u>

Interfund transfers have been completed to provide resources from the sales tax fund to the debt service fund established to repay debt issued to finance street improvements.

NOTE 10 - URAF CONTINGENCY

In order to accommodate highway improvements, the Village has been required to relocate underground utility infrastructure that was located in the State's highway right of way. Funding for the relocation was provided by the State's Utility Relocation Assistance Fund (URAF). Under the terms of the URAF arrangement, the Village is not obligated to repay the URAF funds but if voluntary

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

payments are not made, the Village may be denied access to the State's right of way when conducting future construction projects.

NOTE 11 - PAYABLES

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

	<u>Governmental Activities</u>
Payables to Vendors	\$ 17,876
Payables Under Construction Contracts	----
Other	----
Total	<u>\$ 17,876</u>

NOTE 12 – DELAYED REVENUES

Funding has been received from the American Rescue Plan Act (ARPA) in the amount of \$103,835. Management does not consider these amounts to be earned until expenditures meeting certain requirements have been completed and the funding has not been declared as lost revenue. Accordingly, the amount collected has been reported as delayed revenues.

NOTE 13 – ON BEHALF PAYMENTS

The State of Louisiana provides supplemental pay for public safety employees that meet certain requirements. Amounts reported as revenue and expenditures in connection with State Supplemental Pay are presented as follows:

Police Department	\$ 4,800
-------------------	----------

VILLAGE OF DRY PRONG

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Taxes:				
Ad valorem	\$ 14,000	\$ 14,000	\$ 15,046	\$ 1,046
Franchise	30,000	30,000	23,373	(6,627)
Sales Tax	82,000	82,000	101,472	19,472
Occupational licenses	35,000	35,000	47,944	12,944
Fines and Court Cost	175,000	175,000	114,206	(60,794)
Intergovernmental	-	-	22,370	22,370
Miscellaneous	7,000	7,000	14,267	7,267
Total revenues	343,000	343,000	338,678	(4,322)
General Government:				
Salary - mayor and aldermen	7,500	7,500	7,500	-
Salaries - other	70,578	70,578	39,051	31,527
Animal control	5,400	5,400	5,850	(450)
Community center	3,000	3,000	2,425	575
Contract labor	1,000	1,000	360	640
Dues and publications	2,500	2,500	1,151	1,349
Equipment purchases	17,000	17,000	54	16,946
Insurance	30,000	30,000	22,679	7,321
Legal and professional	26,000	26,000	25,114	886
Library	3,000	3,000	2,805	195
Office supplies	5,000	5,000	7,551	(2,551)
Payroll taxes and benefits	11,500	11,500	3,767	7,733
Printing and advertising	1,500	1,500	1,089	411
Repairs and maintenance	6,500	6,500	8,608	(2,108)
Streets and parks	8,000	8,000	23,032	(15,032)
Traffic ticket assessments	4,000	4,000	1,296	2,704
Utilities and telephone	25,000	25,000	16,891	8,109
Miscellaneous	4,500	4,500	2,692	1,808
Total general government	231,978	231,978	171,915	60,063

Continued...

VILLAGE OF DRY PRONG

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Public Safety:				
Police department				
Salaries and payroll taxes	97,300	97,300	100,060	(2,760)
Retirement contributions	26,000	26,000	10,742	15,258
Insurance	18,000	18,000	-	18,000
Fuel	10,000	10,000	10,295	(295)
Parts and supplies	10,000	10,000	7,719	2,281
Repairs and maintenance	5,000	5,000	5,833	(833)
Education and training	3,500	3,500	3,328	172
Miscellaneous	-	-	-	-
Total police department	169,800	169,800	137,977	31,823
Capital Expenditures	-	-	65,088	(65,088)
Total expenditures	401,778	401,778	374,980	26,798
Excess (deficiency) of revenues over expenditures	(58,778)	(58,778)	(36,302)	22,476
Other sources (uses)				
Operating transfers in (out)	-	-	58,000	58,000
Net Change in Fund Balances	(58,778)	(58,778)	21,698	80,476
Fund balance - beginning of year	285,578	285,578	285,578	-
Fund balance - end of year	\$ 226,800	\$ 226,800	\$ 307,276	\$ 80,476

VILLAGE OF DRY PRONG

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

Agency Head (Mayor) - Shane Davis

Purpose:

Compensation	\$ 3,000
Benefits	-
Reimbursements	-

Total	<u>\$ 3,000</u>
-------	-----------------

VILLAGE OF DRY PRONG
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the year ended June 30, 2023

Shane Davis, Mayor	\$ 3,000
Della Barbee, Alderman	1,500
Daryl Bryant, Alderman	1,500
Elisa Holton, Alderman	<u>1,500</u>
 Total	 <u><u>\$ 7,500</u></u>

VILLAGE OF DRY PRONG

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

	First Six Month Period Ended December 31, 2022	Second Six Month Period Ended June 30, 2023
Beginning Balance of Amounts Collected	\$ 57,172	\$ 57,035
Add: Collections		
Criminal Criminal/Costs/Fees	-	-
Subtotal Collections	-	-
Less: Disbursements to Governments & Nonprofits		
Central Louisiana Juvenile Detention Center	758	345
Dept. of Health and Hospitals - Head Injury Fund	505	230
Louisiana Commission on Law Enforcement - Court Cost	202	92
Louisiana Supreme Court	51	23
State of Louisiana - CMIS Assessment	101	46
Less: Amounts Retained by the Village of Dry Prong		
Self Disbursed Court Cost	55,555	56,299
Subtotal Disbursements / Retainage	57,172	57,035
Ending Balance of Amounts Collected but not Disbursed	\$ -	\$ -



November 9, 2023

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

To the Mayor and Board of Aldermen
Village of Dry Prong, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Dry Prong, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Dry Prong's basic financial statements and have issued our report thereon dated November 9, 2023.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies



Rozier, McKay & Willis
Certified Public Accountants
Voice: 318.442.1608

1407 Peterman Drive
Alexandria, Louisiana 71301
Online: CenlaCPAs.com

may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Village of Dry Prong's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

THE VILLAGE OF DRY PRONG'S RESPONSE TO FINDINGS

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

PURPOSE OF THIS REPORT

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



Rozier, McKay & Willis
Certified Public Accountants

VILLAGE OF DRY PRONG

SCHEDULE OF FINDINGS

For the Year Ended June 30, 2023

PART I - SUMMARY OF AUDITOR'S RESULTS:

- The Independent Auditors' Report on the financial statements of the Village of Dry Prong as of June 30, 2023 and for the year then ended expressed an unmodified opinion.
- The audit disclosed audit findings which are required to be reported as reportable conditions. No reportable conditions were reported material weaknesses.
- The results of the audit disclosed no instances of noncompliance that are considered to be material to the financial statements of the Village of Dry Prong.

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

2023-001	Accrued Leave Reporting
Condition	Personnel policies require paying employees for unused accrued leave upon the termination of employment. Despite the obligation to compensate employees for unused leave, personnel records do not track accrued leave balances. Since balances are not maintained on an ongoing basis, balances are not available to determine the amounts due upon termination.
Criteria	On March 30, 2023, the Board of Aldermen adopted an employee policy handbook. The personnel policy adopted obligates the Village to compensate employees for unused leave balances upon the termination of employment.
Cause	When new personnel policies were adopted, procedures were not implemented to maintain records necessary to implement the policies.
Effect	Insufficient records to determine the amount of required payments.
Recommendation	Establish recordkeeping practices for maintaining unused leave balances for each employee.

2023-002	Recording Retirement Contributions
Condition	Payments to the Municipal Police Employees Retirement System have not been correctly reported in the accounting system.
Criteria	Dry Prong is required to remit employee and employer contributions to the Municipal Employees Retirement System.
Cause	Payments to the retirement system have not been coded to the correct general ledger account.
Effect	Expenses associated with participating in the retirement system are overstated
Recommendation	Revise procedures for recording contributions to the Municipal Employees Retirement System

VILLAGE OF DRY PRONG

MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2023

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>2023-001: Accrued Leave Reporting</u> Personnel policies require paying employees for unused accrued leave upon the termination of employment. Despite the obligation to compensate employees for unused leave, personnel records do not track accrued leave balances. Since balances are not maintained on an ongoing basis, balances are not available to determine the amounts due upon termination.	<u>2023-001: Response</u> We will conduct research necessary to determine accrued leave balances. In addition, in the future leave balances will be maintained on an ongoing basis.
<u>2023-002: Recording Retirement Contributions</u> Payments to the Municipal Police Employees Retirement System have not been correctly reported in the accounting system.	<u>2023-002: Response</u> Procedures will be implemented to ensure payments to retirement systems are correctly coded in the future.
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings were reported in the schedule of findings.	Response – N/A
SECTION III MANAGEMENT LETTER	
No management letter was issued.	Response – N/A

VILLAGE OF DRY PRONG

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2023

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>2022-001: Unfavorable Budget Variances</u> Budget variances exceeded limits imposed by State Law.	<u>2022-001: Resolved</u> Current variances were within limits prescribed by State Law.
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings of this nature were reported as a result of the previous audit.	Response – N/A
SECTION III MANAGEMENT LETTER	
No management letter was issued.	Response – N/A

APPENDIX A

Statewide Agreed-Upon Procedures



Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Village of Dry Prong and
the Louisiana Legislative Auditor:

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

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

We were engaged to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana
November 9, 2023



Rozier, McKay & Willis
Certified Public Accountants
Voice: 318.442.1608

1407 Peterman Drive
Alexandria, Louisiana 71301
Online: CenlaCPAs.com

Village of Dry Prong**Statewide Agreed-Upon Procedures****Schedule of Procedures, Results and Managements' Response (Continued)**

Written Policies and Procedures		
Agreed-Upon Procedure	Results	Managements' Response
1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories. <ul style="list-style-type: none">• Budgeting• Purchasing• Disbursements• Receipts• Payroll/Personnel• Contracting• Credit Cards• Travel and expense reimbursements• Ethics• Debt Service• Disaster Recovery / Business Continuity• Sexual Harassment	No written policies were in effect.	Due to the small size of the operation and limited amount of personnel, the Village has determined that responsibilities can be clearly communicated without adopting written policies and procedures.

Village of Dry Prong

Statewide Agreed-Upon Procedures

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

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
2 Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and: a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document. b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. <i>Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.</i> c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal	Minutes demonstrate that meetings were held monthly. Budget to actual comparisons were not presented on a regular basis. The previous audit report presented a positive unrestricted fund balance.	<i>N/A – Results did not include findings or criticisms.</i> We will consider making changes to our monthly reporting process to address these matters. <i>N/A – Results did not include findings or criticisms.</i>

Village of Dry Prong**Statewide Agreed-Upon Procedures****Schedule of Procedures, Results and Managements' Response (Continued)**

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund. d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.	No written updates of the previous findings were presented.	Previous findings were limited to budget variances. The status of these findings did not change during the year.

Village of Dry Prong**Statewide Agreed-Upon Procedures****Schedule of Procedures, Results and Managements' Response (Continued)**

Bank Reconciliations		
Agreed-Upon Procedure	Results	Managements' Response
3 Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that: a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged); b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.	Reconciliations were prepared within a two month period. No evidence of review was present No evidence of research was present	<i>N/A – Results did not include findings or criticisms.</i> Since our reconciliation process is performed by someone completely independent of the collection process, further review was not considered necessary. Transactions outstanding more than 12 months were limited to 8 items.

Village of Dry Prong

Statewide Agreed-Upon Procedures

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

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
4 Obtain a listing of <u>deposit sites</u> for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).	Deposit sites are limited to the office maintained at Town Hall.	<i>N/A – Results did not include findings or criticisms.</i>
5 For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:	Collection locations are limited to the office maintained at Town Hall.	
a) Employees that are responsible for cash collections do not share cash drawers/registers.	Collection responsibilities are limited to a single employee.	

Village of Dry Prong

Statewide Agreed-Upon Procedures

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

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.	A single individual is responsible for collections and making bank deposits.	Due to limited staff it is not practical to fully segregate duties.
c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.	A parttime bookkeeper is responsible for positing deposits.	<i>N/A – Results did not include findings or criticisms.</i>
d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.	Responsibility for collecting and posting is generally segregated between the Clerk and a part-time bookkeeper.	<i>N/A – Results did not include findings or criticisms.</i>
6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	The Clerk is bonded.	<i>N/A – Results did not include findings or criticisms.</i>
7 Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day) . Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report,		

Village of Dry Prong**Statewide Agreed-Upon Procedures****Schedule of Procedures, Results and Managements' Response (Continued)**

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:		
a. Observe that receipts are sequentially pre-numbered.	Receipts were utilized where applicable.	<i>N/A – Results did not include findings or criticisms.</i>
b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.	Documentation agrees with deposit slip.	<i>N/A – Results did not include findings or criticisms.</i>
c. Trace the deposit slip total to the actual deposit per the bank statement.	Deposit slip agrees with bank statement.	<i>N/A – Results did not include findings or criticisms.</i>
d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).	Deposits were made within a business day.	<i>N/A – Results did not include findings or criticisms.</i>
e. Trace the actual deposit per the bank statement to the general ledger.	Bank statement agrees with the general ledger.	<i>N/A – Results did not include findings or criticisms.</i>

Village of Dry Prong

Statewide Agreed-Upon Procedures

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

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
8 Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).	Locations utilized for payment processing are limited to the office maintained at the Town Hall.	<i>N/A – Results did not include findings or criticisms.</i>
9 For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that: a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase. b) At least two employees are involved in processing and approving payments to vendors. c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.	No formal process is in place for documenting purchase request. Checks require two signatures. The computer system does not provide features for limiting access dot vendor data.	Due to the small size of the staff and open communication between department heads and elected officials formal documentation is not considered necessary. <i>N/A – Results did not include findings or criticisms.</i> Due to limited number of transactions and the Administration's general familiarity with the identity of vendors, limiting access to vendor data is considered unnecessary.

Village of Dry Prong

Statewide Agreed-Upon Procedures

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

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.	The employee responsible for signing the checks typically delivers checks to the post office.	<i>N/A – Results did not include findings or criticisms.</i>
10 For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:		
a. Observe that the disbursement matched the related original invoice/billing statement.	Documentation for one of the transactions was limited to a statement and the itemized invoice / receipt was not available.	In the future, cash register receipts will be retained for transactions charged to a credit account.
b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.	Evidence of segregation was present	<i>N/A – Results did not include findings or criticisms.</i>
11 Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b)	No vendors were paid electronically. Electronic transactions were limited to payroll tax deposits and retirement contributions.	<i>N/A – Results did not include findings or criticisms.</i>

Village of Dry Prong

Statewide Agreed-Upon Procedures

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

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.		

Village of Dry Prong

Statewide Agreed-Upon Procedures

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

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
12 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.	Cards were limited to a single Sam's Club account	
13 Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:		
a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.	No evidence of approval appeared on the monthly statement.	Approval was demonstrate by two signatures appearing on the check that paid the credit card.
b. Observe that finance charges and late fees were not assessed on the selected statements.	There were no finance charges or late fees assessed.	<i>N/A – Results did not include findings or criticisms.</i>

Village of Dry Prong**Statewide Agreed-Upon Procedures****Schedule of Procedures, Results and Managements' Response (Continued)**

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
14 Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).	The statement included a single transaction for \$254.70, but no supporting documentation was available.	In the future, we will retain cash register receipts associated with credit card charges.

Village of Dry Prong

Statewide Agreed-Upon Procedures

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

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
15 Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected: a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov). b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased. c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h). d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.	A list and representations were obtained. N/A: Payments were based on actual costs. Actual costs were supported by itemized receipts. Business purpose and participation were apparent. Checks were signed by two parties that were not the recipient of the reimbursement.	<i>N/A – Results did not include findings or criticisms.</i> <i>N/A – Results did not include findings or criticisms.</i> <i>N/A – Results did not include findings or criticisms.</i> <i>N/A – Results did not include findings or criticisms.</i>

Village of Dry Prong

Statewide Agreed-Upon Procedures

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

Contracts		
Agreed-Upon Procedure	Results	Managements' Response
16 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and: a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law. b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter). c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment. d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.	 N/A – Based on discussions with management and other available evidence, no contracts were initiated or renewed. N/A – Based on discussions with management and other available evidence, no contracts were initiated or renewed. N/A – Based on discussions with management and other available evidence, no contracts were initiated or renewed. N/A – Based on discussions with management and other available evidence, no contracts were initiated or renewed.	 <i>N/A – Results did not include findings or criticisms.</i> <i>N/A – Results did not include findings or criticisms.</i> <i>N/A – Results did not include findings or criticisms.</i> <i>N/A – Results did not include findings or criticisms.</i>

Village of Dry Prong

Statewide Agreed-Upon Procedures

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

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
17 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.	A list and representations were obtained .	
18 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and: a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). b. Observe that supervisors approved the attendance and leave of the selected employees/officials. c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.	Only hourly employees were required to document daily attendance. No leave records were maintained No leave records were maintained	We will review documentation policies and revise as necessary. Until recently our leave policy did not provide employees a vested interest in leave and no tracking system was implemented. In the future, we will explore options for maintaining complete leave and attendance records. Until recently our leave policy did not provide employees a vested interest in leave and no tracking system was implemented. In the future, we will explore options for maintaining complete leave and attendance records.
19 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete.	No termination payments were issued.	<i>N/A – Results did not include findings or criticisms.</i>

Village of Dry Prong

Statewide Agreed-Upon Procedures

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

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.		
20 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	Management has provided the necessary representations.	<i>N/A – Results did not include findings or criticisms.</i>

Village of Dry Prong**Statewide Agreed-Upon Procedures****Schedule of Procedures, Results and Managements' Response (Continued)**

Ethics		
Agreed-Upon Procedure	Results	Managements' Response
21 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and: a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period. b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.	Personnel files did not include evidence of ethics training. Personnel files did not include signature verification.	Arrangements will be made to improve personnel files and retain all necessary documentation. Arrangements will be made to improve personnel files and retain all necessary documentation.
22 Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.	No designee was appointed	Due to the small size of our staff, a formal designee is considered unnecessary

Village of Dry Prong**Statewide Agreed-Upon Procedures****Schedule of Procedures, Results and Managements' Response (Continued)**

Debt Service		
Agreed-Upon Procedure	Results	Managements' Response
23 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	No debt was issued during the period.	<i>N/A – Results did not include findings or criticisms.</i>
25 Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.	Debt was limited to a Certificate of Indebtedness with a local financial institution. The arrangement does not including an significant covenants or reserve requirements.	<i>N/A – Results did not include findings or criticisms.</i>

Village of Dry Prong**Statewide Agreed-Upon Procedures****Schedule of Procedures, Results and Managements' Response (Continued)**

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

Village of Dry Prong

Statewide Agreed-Upon Procedures

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

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
27 Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."		
a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.	We performed the procedure and discussed the results with management	<i>N/A – Results did not include findings or criticisms.</i>
b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.	We performed the procedure and discussed the results with management	<i>N/A – Results did not include findings or criticisms.</i>
c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.	We performed the procedure and discussed the results with management	<i>N/A – Results did not include findings or criticisms.</i>
28 Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the	We performed the procedure and discussed the results with management	<i>N/A – Results did not include findings or criticisms.</i>

Village of Dry Prong

Statewide Agreed-Upon Procedures

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

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
selected terminated employees have been removed or disabled from the network.		

Village of Dry Prong

Statewide Agreed-Upon Procedures

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

Sexual Harassment		
Agreed-Upon Procedure	Results	Managements' Response
29 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.	No documentation of training appeared in personnel files.	Arrangements will be made to improve personnel files and retain all necessary documentation.
30 Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).	Dry Prong does not maintain a website.	N/A – Results did not include findings or criticisms.
31 Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344: a. Number and percentage of public servants in the agency who have completed the training requirements; b. Number of sexual harassment complaints received by the agency; c. Number of complaints which resulted in a finding that sexual harassment occurred; d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and e. Amount of time it took to resolve each complaint.	A report was not prepared for the applicable period.	