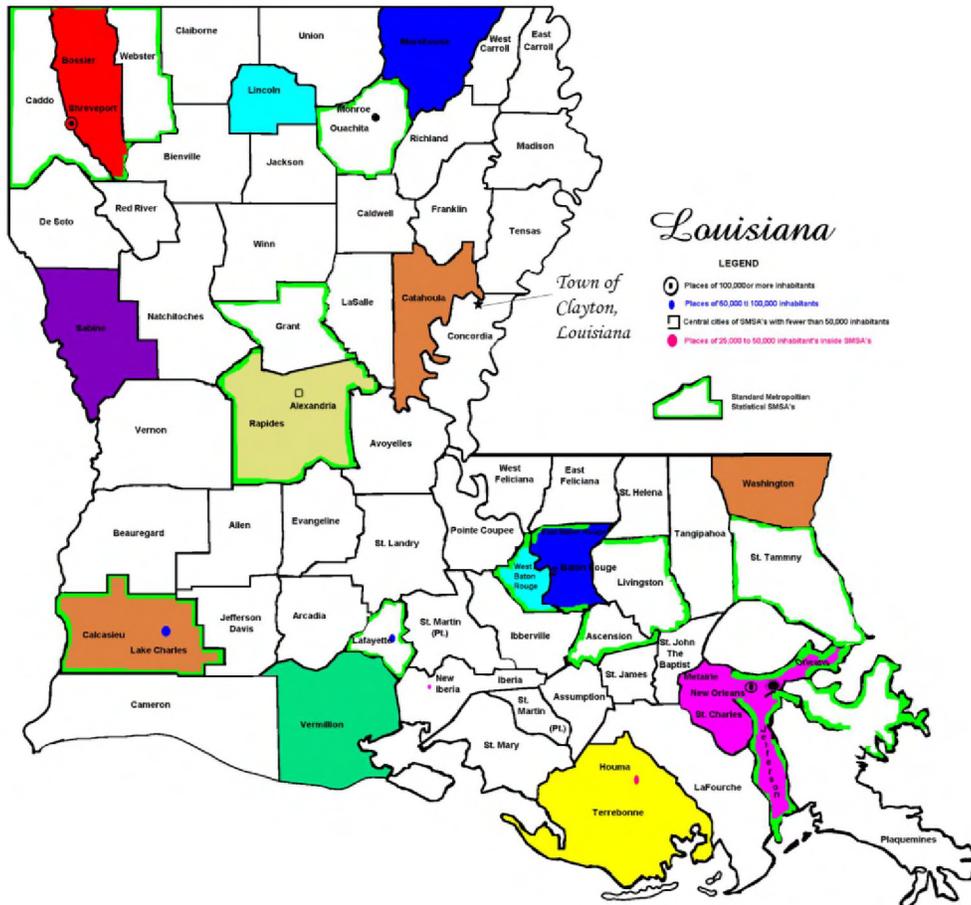


VILLAGE OF CLAYTON, LOUISIANA

Annual Financial Statements

JUNE 30, 2023

VILLAGE OF CLAYTON, LOUISIANA



✓ The Village of Clayton was incorporated under the Lawrason Act, and operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

Village of Clayton, Louisiana
Table of Contents
June 30, 2023

	Schedule	Page
Independent Auditor's Report.....		1-3
Management's Discussion and Analysis.....		4-8
Basic Financial Statements		
Statement of Net Position.....	A	10
Statement of Activities.....	B	11
Balance Sheet, Governmental Funds.....	C	12
Reconciliation of The Government Funds Balance Sheet to the Government- Wide Financial Statement of Net Position.....	D	13
Statement of Revenues, Expenditures & Changes in Fund Balances – Governmental Funds.....	E	14
Reconciliation of The Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	F	15
Statement of Net Position, Proprietary Funds.....	G	16
Statement of Revenues, Expenses & Changes in Net Position – Proprietary Funds.....	H	17
Statement of Cash Flows – Proprietary Funds.....	I	18
Notes to the Basic Financial Statements.....		20-30
Required Supplemental Information		
Statement of Revenues, Expenditures, & Changes in Fund Balance – Budget & Actual – General Fund.....	1	32
Statement of Revenues, Expenditures, & Changes in Fund Balance – Budget & Actual – Public Works Fund.....	2	33
Supplemental Information		
Schedule of Compensation and Other Payments to Agency Head or Chief Executive Officer.....		35
Justice System Funding Schedule.....		36
Schedule of Assets, Liabilities, and Equity LCDBG Grants.....		37
Schedule of Revenue, Expenditures, and Change in Fund Balance LCDBG Grants.....		38
Other Reports		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....		40-41
Schedule of Findings and Questioned Cost.....		42-44
Management Letter Comments.....		45
Management's Summary of Prior Year Findings.....		46-48
Independent Accountant's Report on Applying Agreed-Upon Procedures.....		49

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INDEPENDENT AUDITOR'S REPORT

The Honorable Wilbert Washington, Mayor
Members of the Board of Aldermen
Clayton, 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 Clayton, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Clayton's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, and all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund, of the Village of Clayton, 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 Clayton 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 Clayton'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 internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in 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 Clayton'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 Clayton'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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Clayton’s basic financial statements. The Schedule of Compensation, Benefits and other Payments to Agency Head or Chief Executive Officer, the Justice System Funding Schedule, LCDBG Grants-Schedule of Assets, Liabilities, and Equity, Schedule of Revenue, Expenditures, and Change in Fund balance are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Schedule of Compensation, Benefits and other Payments to Agency Head or Chief Executive Officer, the Justice System Funding Schedule, LCDBG Grants- Schedule of Assets, Liabilities, and Equity, Schedule of Revenues, Expenditures, and Changes in Fund Balance and are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023, on our consideration of the Village of Clayton’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Village of Clayton’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Clayton’s internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated December 8, 2023, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor’s statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

The Vercher Group

Jena, Louisiana
December 8, 2023

Village of Clayton

101 Shady Lane
Clayton, Louisiana 71326
Tel: (318) 757-8540
Fax: (318) 757-8543

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Village, we offer readers of the Village of Clayton's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the Village's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

FINANCIAL HIGHLIGHTS

Governmental Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$794,961 (*net position*). This is a \$373,183 increase from last year.
- The Village had total revenue of \$685,494. This is a \$474,769 increase from last year's revenues, mainly due to an increase in fines in the amount of \$478,332.
- The Village had total expenditures of \$303,614, which is a \$64,296 increase from last year, mainly due to an increase in police expense in the amount of \$82,155.

Enterprise Fund

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$1,962,835 (*net position*). This is a \$84,488 decrease from last year.
- The Village had total revenue of \$336,662. This is a \$18,184 increase from last year, mainly due to an increase in sewer charges in the amount of \$20,532.
- The Village had total expenses of \$491,150. This is a \$66,577 increase from last year, mainly due to an increase in cost of sales and services expense in the amount of \$61,207.

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Village is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The Village's annual report consists of financial statements that show information about the Village's funds, enterprise funds and governmental funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS

The Village's financial statements provide detailed information about the most significant funds. The Village may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Village's enterprise fund uses the following accounting approach:

All of the Village's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

MD&A

Governmental Funds

Comparative Statement of Net Position as of June 30, 2023:

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 114,685	\$ 499,534	335.6
Receivables (Net)	11,095	40,928	268.9
Restricted Cash	15,968	5,813	-63.6
Restricted Receivables	930	930	0.0
Capital Assets, Net of Accumulated Depreciation	552,034	548,366	-0.7
Total Assets	<u>694,712</u>	<u>1,095,571</u>	57.7
Liabilities & Net Position			
Accounts, Salaries, & Other Payables	64,477	62,490	-3.1
Loan Payable-Current	208,457	195,388	-6.3
Lease Payable-Current	-0-	8,400	100.0
Total Liabilities	<u>272,934</u>	<u>300,610</u>	10.1
Net Position			
Investment in Capital Assets	343,577	210,246	-10.7
Restricted	16,898	6,738	-60.1
Unrestricted	61,303	477,977	679.7
Total Net Position	<u>\$ 421,778</u>	<u>\$ 794,961</u>	88.5

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2023:

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Revenues			
Taxes	\$ 33,287	\$ 39,731	19.4
License & Permits	5,368	4,910	-8.5
Charges for Services	59,530	63,302	6.3
Fines & Forfeits	20,589	498,921	2323.2
Interest Income	4	81	1925.0
Grants	89,315	77,555	-13.2
Other	2,632	65	-97.5
Total Revenues	<u>210,725</u>	<u>684,565</u>	225.3
Expenditures			
General Government	75,891	35,588	-53.1
Public Safety:			
Police	48,390	130,545	169.8
Fire	-0-	-0-	0.0
Street Sanitation	54,402	61,174	12.4
Debt Service	22,000	20,300	-7.7
Capital Outlay	38,635	56,007	45.0
Total Expenditures	<u>239,318</u>	<u>303,614</u>	26.9
Excess (Deficiency) of Revenues Over Under Expenditures	<u>(28,593)</u>	<u>380,951</u>	1235.6
Other Financing Sources (Uses)			
Transfers In/(Out)	104,373	(20,602)	-119.7
Lease Proceeds	-0-	44,307	100.0
Total Other Financing Sources (Uses)	<u>104,373</u>	<u>25,563</u>	-75.5
Net Change in Fund Balance	75,780	406,514	436.4
Fund Balances - Beginning	2,421	78,201	3130.1
Fund Balances - Ending	<u>\$ 78,201</u>	<u>\$ 484,715</u>	519.8

MD&A

Enterprise Fund

Comparative Statement of Net Position as of June 30, 2023:

Assets	2022	2023	% Change
Cash	\$ 55,821	\$ 36,355	-34.9
Receivables (Net)	52,573	66,616	26.7
Restricted Assets	34,507	38,331	11.1
Capital Assets, Net of Accumulated Depreciation	2,045,374	2,010,258	-1.7
Total Assets	2,188,275	2,151,560	-1.7
Liabilities & Net Position			
Accounts, Salaries, & Other Payables	93,929	136,600	45.4
Total Current Liabilities	93,929	136,600	45.4
Current Liabilities Payable from Restricted Assets			
Customer Deposits	47,025	52,125	10.8
Total Current Liabilities Payable from Restricted Assets	47,025	52,125	10.8
Total Liabilities	140,954	188,725	33.9
Net Position			
Net Investment in Capital Assets	2,045,374	2,010,258	-1.7
Restricted	-0-	-0-	0.0
Unrestricted	1,949	(47,423)	-2533.2
Total Net Position	\$ 2,047,323	\$ 1,962,835	-4.1

Comparative Statement of Revenues, Expenses & Changes in Net Position for the year ended June 30, 2023:

Operating Revenues	2022	2023	% Change
Charges for Services:			
Water Sales	\$ 193,119	\$ 192,786	-0.2
Sewer Charges	57,274	77,806	35.8
Gas Sales	60,272	55,158	-8.5
Other Operating Revenue	7,813	10,912	39.7
Total Operating Revenues	318,478	336,662	5.7
Operating Expenses			
Cost of Sales & Services	236,300	297,507	25.9
Administration	30,593	38,230	25.0
Depreciation	156,755	155,413	-0.9
Total Operating Expenses	423,648	491,150	15.9
Operating Income (Loss)	(105,170)	(154,488)	-46.0
Nonoperating Revenue (Expenses)			
Interest Earnings	807	274	-66.0
Total Nonoperating Revenue (Expenses)	807	274	-66.0
Income Before Contributions & Transfers	(104,363)	(154,214)	-45.8
Transfers In/(Out)	(104,373)	19,674	118.8
Capital Contributions	-0-	50,052	100.0
Change in Net Position	(208,736)	(84,488)	140.5
Total Net Position - Beginning	2,256,059	2,047,323	-9.3
Total Net Position - Ending	\$ 2,047,323	\$ 1,962,835	-4.1

MD&A

CAPITAL ASSETS

Capital Assets – Governmental Funds

At June 30, 2023, the Village had \$548,366 invested in capital assets, including the following:

Capital Assets at Year-End		
	<u>2022</u>	<u>2023</u>
Land (Not Depreciated)	\$ 8,425	\$ 8,425
Capital Assets	1,571,006	1,627,013
Accumulated Depreciation	<u>(1,027,397)</u>	<u>(1,087,072)</u>
Total	<u>\$ 552,034</u>	<u>\$ 548,366</u>

Capital Assets – Enterprise Funds

At June 30, 2023, the Village had \$2,010,258 invested in capital assets, including the following:

Capital Assets at Year-End		
	<u>2022</u>	<u>2023</u>
Water & Gas System	\$ 2,466,090	\$ 2,476,785
Sewer System	3,205,522	3,315,124
Accumulated Depreciation	<u>(3,626,238)</u>	<u>(3,781,651)</u>
Total	<u>\$ 2,045,374</u>	<u>\$ 2,010,258</u>

CONTACTING THE VILLAGE'S FINANCIAL MANGEMENT:

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact Mayor Wilbert Washington at the Village Hall, phone number (318) 757-8540.

Basic Financial Statements

Village of Clayton, Louisiana
Statement of Net Position
June 30, 2023

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Current Assets			
Cash & Cash Equivalents	\$ 499,534	\$ 36,355	\$ 535,889
Receivables, Net	40,928	66,616	107,544
Restricted Assets:			
Cash	5,813	38,331	44,144
Receivables – Sales Tax	930	-0-	930
Total Current Assets	547,205	141,302	688,507
Non-Current Assets			
Capital Assets, Net	548,366	2,010,258	2,558,624
Total Non-Current Assets	548,366	2,010,258	2,558,624
Total Assets	1,095,571	2,151,560	3,247,131
Current Liabilities			
Accounts & Other Payables	62,490	136,600	199,090
Meter Deposits	-0-	52,125	52,125
Loan Payable-Current	195,388	-0-	195,388
Lease Payable-Current	8,400	-0-	8,400
Total Liabilities	266,278	188,725	455,003
Non-Current Liabilities			
Lease Payable	34,332	-0-	34,332
Total Non-Current Liabilities	34,332	-0-	34,332
Net Position			
Net Investment in Capital Assets	310,246	2,010,258	2,320,504
Restricted	6,738	-0-	6,738
Unrestricted	477,977	(47,423)	430,554
Total Net Position	\$ 794,961	\$ 1,962,835	\$ 2,757,796

The accompanying notes are an integral part of this statement.

Village of Clayton, Louisiana
Statement of Activities
For the Year Ended June 30, 2023

	PROGRAM REVENUES				NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT		
	Expenses	Charges for Services	Capital Grants	Net (Expenses) Revenue	Governmental Activities	Business Type Activities	Total
Governmental Activities							
General Government	\$ (57,216)	\$ -0-	\$ 77,555	\$ 20,339	\$ 20,339		\$ 20,339
Public Safety:							
Police	(133,250)	-0-	-0-	(133,250)	(133,250)		(133,250)
Fire	(1,753)	-0-	-0-	(1,753)	(1,753)		(1,753)
Street and Sanitation	(95,861)	63,302	-0-	(32,559)	(32,559)		(32,559)
Interest Expense	(4,557)	-0-	-0-	(4,557)	(4,557)		(4,557)
Total Governmental Activities	<u>(292,637)</u>	<u>63,302</u>	<u>77,555</u>	<u>(151,780)</u>	<u>(151,780)</u>		<u>(151,780)</u>
Business Type Activities							
Water, Sewer, Gas	(491,150)	326,024	50,052	(115,074)		(115,074)	(115,074)
Total Business Type Activities	<u>(491,150)</u>	<u>326,024</u>	<u>50,052</u>	<u>(115,074)</u>		<u>(115,074)</u>	<u>(115,074)</u>
Total Primary Government	<u>\$ (783,787)</u>	<u>\$ 389,326</u>	<u>\$ 127,607</u>	<u>\$ (266,854)</u>			<u>(266,854)</u>
			General Revenues				
			Fines		498,921	-0-	498,921
			Taxes:				
			Ad Valorem Taxes		5,646	-0-	5,646
			Franchise Taxes		17,964	-0-	17,964
			Road Taxes		15,715	-0-	15,715
			Other Taxes		406	-0-	406
			License and Permits		4,910	-0-	4,910
			Interest Income		81	-0-	81
			Miscellaneous		994	10,912	11,906
			Transfers		(19,674)	19,674	-0-
			Total General Revenues		<u>524,963</u>	<u>30,586</u>	<u>555,549</u>
			Change in Net Position		373,183	(84,488)	288,695
			Net Position - Beginning		421,778	2,047,323	2,469,101
			Net Position - Ending		<u>\$ 794,961</u>	<u>\$ 1,962,835</u>	<u>\$ 2,757,796</u>

The accompanying notes are an integral part of this statement.

Village of Clayton, Louisiana
Balance Sheet, Governmental Funds
June 30, 2023

	<u>GENERAL</u>	<u>PUBLIC WORKS FUND</u>	<u>TOTAL</u>
Assets			
Cash	\$ 499,534	\$ -0-	\$ 499,534
Cash, Restricted	-0-	5,813	5,813
Receivables:			
Accounts Receivable	40,928	-0-	40,928
Sales Tax, Restricted	-0-	930	930
Total Assets	<u>540,462</u>	<u>6,743</u>	<u>547,205</u>
Liabilities			
Accounts & Other Payables	<u>62,490</u>	<u>-0-</u>	<u>62,490</u>
Fund Balance			
Restricted For Roads	-0-	6,743	6,743
Unassigned	<u>477,972</u>	<u>-0-</u>	<u>477,972</u>
Total Fund Balance	<u>477,972</u>	<u>6,743</u>	<u>484,715</u>
Total Liabilities & Fund Balance	<u>\$ 540,462</u>	<u>\$ 6,743</u>	<u>\$ 547,205</u>

The accompanying notes are an integral part of this statement.

Village of Clayton, Louisiana
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
June 30, 2023

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

Fund Balance, Total Governmental Funds (Statement C)	\$ 484,715
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	548,366
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(238,120)
	<u>794,961</u>
Net Position of Governmental Activities (Statement A)	<u>\$ 794,961</u>

The accompanying notes are an integral part of this statement.

Village of Clayton, Louisiana
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	GENERAL	PUBLIC WORKS FUND	TOTAL GOVERNMENTAL FUNDS
Revenues			
Taxes:			
Ad Valorem Taxes	\$ 5,646	\$ -0-	\$ 5,646
Franchise Taxes	17,964	-0-	17,964
Road Taxes	-0-	15,715	15,715
Other Taxes	406	-0-	406
Licenses & Permits	4,910	-0-	4,910
Garbage-Police Jury	63,302	-0-	63,302
Fines & Forfeits	498,921	-0-	498,921
Interest Income	81	-0-	81
Intergovernmental – Capital Grants	77,555	-0-	77,555
Reimbursements	-0-	-0-	-0-
Other	65	-0-	65
Total Revenues	668,850	15,715	684,565
Expenditures			
General Government	35,588	-0-	35,588
Public Safety:			
Police	130,545	-0-	130,545
Fire	-0-	-0-	-0-
Street & Sanitation	46,235	14,939	61,174
Recreation	-0-	-0-	-0-
Debt Service	20,300	-0-	20,300
Capital Outlay	56,007	-0-	56,007
Total Expenditures	288,675	14,939	303,614
Excess (Deficiency) of Revenues Over Expenditures	380,175	776	380,951
Other Financing Sources (Uses)			
Transfers In/(Out)	(19,673)	929	(18,744)
Lease Proceeds	44,307	-0-	44,307
Total Other Financing Sources (Uses)	24,634	929	25,563
Net Change in Fund Balance	404,809	1,705	406,514
Fund Balances - Beginning	73,163	5,038	78,201
Fund Balances - Ending	\$ 477,972	\$ 6,743	\$ 484,715

The accompanying notes are an integral part of this statement.

Village of Clayton, Louisiana
Reconciliation of the Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2023

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

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ 406,514

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

	Capital Purchases	56,007	
	Depreciation Expense	<u>(59,675)</u>	
			(3,668)

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

	Debt Issued	(44,307)	
	Principal Paid	<u>14,644</u>	
			<u>(29,663)</u>

Changes in Net Position of Governmental Activities, Statement B \$ 373,183

The accompanying notes are an integral part of this statement.

Village of Clayton, Louisiana
Statement of Net Position, Proprietary Funds
June 30, 2023

	<u>Enterprise Fund</u>
Current Assets	
Cash & Cash Equivalents	\$ 36,355
Receivables (Net of Allowances For Uncollectible)	66,616
Total Current Assets	<u>102,971</u>
Non-Current Assets	
Restricted Cash – Customer Deposits	38,331
Capital Assets (Net of Accumulated Depreciation)	2,010,258
Total Non-Current Assets	<u>2,048,589</u>
Total Assets	<u>2,151,560</u>
Current Liabilities	
Accounts, Salaries, & Other Payables	136,600
Total Current Liabilities	<u>136,600</u>
Current Liabilities Payable From Restricted Assets	
Customer Deposits	52,125
Total Current Liabilities Payable From Restricted Assets	<u>52,125</u>
Total Liabilities	<u>188,725</u>
Net Position	
Net Investment in Capital Assets	2,010,258
Restricted	-0-
Unrestricted	(47,423)
Total Net Position	<u>\$ 1,962,835</u>

The accompanying notes are an integral part of this statement.

Village of Clayton, Louisiana
Statement of Revenues, Expenses & Changes in Net Position
Proprietary Funds
June 30, 2023

	Enterprise Fund
Operating Revenues	
Charges for Services:	
Water Sales	\$ 192,786
Sewer Charges	77,806
Gas Sales	55,158
Other Operating Revenue	10,912
Total Operating Revenues	336,662
Operating Expenses	
Cost of Sales & Services	297,507
Administration	38,230
Depreciation	155,413
Total Operating Expenses	491,150
Operating Income (Loss)	(154,488)
Nonoperating Revenues (Expenses)	
Interest Earnings	274
Total Nonoperating Revenues (Expenses)	274
Income Before Contributions & Transfers	(154,214)
Transfers In/(Out)	19,674
Capital Contributions (Grant-Sewer)	50,052
Change in Net Position	(84,488)
Total Net Position - Beginning	2,047,323
Total Net Position - Ending	\$ 1,962,835

The accompanying notes are an integral part of this statement.

Village of Clayton, Louisiana
Statement of Cash Flows
Proprietary Fund
June 30, 2023

	<u>Enterprise Fund</u>
Cash Flows From Operating Activities	
Receipts From Customers & Users	\$ 327,719
Payments to Suppliers	(255,762)
Payments to Employees	(37,305)
Net Cash Provided (Used) by Operating Activities	<u>34,652</u>
Cash Flows From NonCapital Financing Activities	
Transfers	19,674
Net Cash Provided (Used) by NonCapital Financing Activities	<u>19,674</u>
Cash Flows From Capital & Related Financing Activities	
Capital Grants	50,052
Acquisition and Construction of Capital Assets	(120,297)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(70,245)</u>
Cash Flows From Investing Activities	
Interest and Dividends Received	274
Net Cash Provided (Used) by Investing Activities	<u>274</u>
Net Increase (Decrease) in Cash & Cash Equivalents	(15,645)
Cash & Cash Equivalents, Beginning of Year	90,330
Cash & Cash Equivalents, End of Year	<u>74,685</u>
Reconciliation to Balance Sheet	
Cash & Cash Equivalents	36,354
Restricted Cash – Customer Deposits	38,331
Total Cash and Cash Equivalents	<u>74,685</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(153,563)
Depreciation Expense	155,413
(Increase) Decrease in Accounts Receivable	(14,043)
Increase (Decrease) in Accounts Payables	41,745
Increase (Decrease) in Customer Deposits	5,100
Total Adjustments	<u>188,215</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 34,652</u>

The accompanying notes are an integral part of this statement.

**Notes To The Basic
Financial Statements**

VILLAGE OF CLAYTON, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Clayton is a municipal corporation governed by an elected mayor.

1. The Village of Clayton, Louisiana was incorporated under provisions of the Lawrason Act as a Village in 1962.
2. The purpose of a municipality is to provide utility services, public safety (police and fire), street sanitation, and general administrative services.
3. The Board of Aldermen consists of five elected members; four members are paid \$200 per month, and one is paid \$150 per month.
4. The Village of Clayton is located in the northeastern portion of Concordia Parish, Louisiana. Concordia Parish is located in northeastern Louisiana.
5. The population of Clayton is approximately 606.
6. The Village of Clayton has two full time employees and two part time employees.
7. The Village of Clayton has approximately 235 utility customers.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the municipality is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes, set rates or charges, and issue bonded debt.

The accounting and reporting policies of the Village of Clayton conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

TOWN OF CLAYTON, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

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

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

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

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

VILLAGE OF CLAYTON, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

- **General Fund:**
The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Public Works Fund:**
The Public Works Fund is a Special Revenue (sales tax) dedicated for constructing, hard surfacing, improving and/or maintaining public roads and streets in the district, including acquiring, maintaining and operating equipment for such purposes and providing incidental drainage.

The municipality reports the following major proprietary funds:

- Water Activities
- Sewer Activities
- Gas Activities

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are utility billings. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Village has a policy of applying expenses to restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

VILLAGE OF CLAYTON, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets- Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position- Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position- All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. The decision is typically made by management at the incurrence of the expense.

In the Fund Financial Statements, governmental fund equity is classified as a fund balance. The District has implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

VILLAGE OF CLAYTON, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

D. CASH, CASH EQUIVALENTS, & INVESTMENTS – (C.D.’S IN EXCESS OF 90 DAYS)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity’s name.

Deposits

It is the Village’s policy for deposits (demand checking accounts, savings accounts, and certificate of deposits) to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Village’s deposits are categorized to give an indication of the level of risk assumed by the Village at year end. The categories are described as follows:

- ***Category 1*** – Insured or collateralized with securities held by the Village or by its agent in the Village’s name.
- ***Category 2*** – Collateralized with securities held by the pledging financial institution’s trust department or agent in the Village’s name.
- ***Category 3*** – Uncollateralized.

	Delta Bank	Concordia Bank	Total
Bank Balances	\$ 53,893	\$ 499,999	\$ 553,892
<i>Secured As Follows</i>			
FDIC (<i>Category 1</i>)	53,893	250,000	303,893
Securities (<i>Category 2</i>)	-0-	298,986	298,986
Uncollateralized (<i>Category 3</i>)	-0-	-0-	-0-
Total	\$ 53,893	\$ 548,986	\$ 602,879

All deposits were fully secured as of June 30, 2023.

VILLAGE OF CLAYTON, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

E. INVENTORIES

Inventories of materials and supplies are considered to be expenditures at the time purchased. Amounts on hand at the financial statement date are considered immaterial and therefore not included on the statements of assets and liabilities.

F. ACCOUNTS RECEIVABLE & ALLOWANCES FOR BAD DEBTS

Uncollectable amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectable of the receivable. Below is a summary of accounts receivable and allowance for bad debts by funds:

	Governmental Fund	Enterprise Fund	Total
Accounts Receivable	\$ 40,928	\$ 65,732	\$ 106,660
Accounts Receivable - Restricted	930	4,171	5,101
Allowances for Bad Debt	-0-	(3,287)	(3,287)
Total	\$ 41,858	\$ 66,616	\$ 108,474

G. FIXED ASSETS

For the year ended June 30, 2023, no interest costs were capitalized for construction of fixed assets. The Village of Clayton has a capitalization policy of \$1,500.

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Vehicles and Equipment	5-10 years
Streets	20 years
Buildings	40 years

H. NEW ACCOUNTING PRONOUNCEMENT

In June of 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities of leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

VILLAGE OF CLAYTON, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

I. FUND EQUITY

In the fund equity statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

2. AD VALOREM TAXES

The entity levies taxes on real and business personal property located within its boundaries. The entity utilizes the services of the Concordia Parish Tax Assessor to assess the property values and prepare the entity's property tax roll. The entity bills and collects its own property taxes.

Property Tax Calendar

Property Tax Calendar	
Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On or About October 15
Total Taxes Are Due	December 31
Penalties and Interest are Added	January 1
Lien Date	January 1

For the year ended June 30, 2023, taxes of 3.64 mills were levied against property having a valuation of some \$1,520,350 which produced some \$5,646 in revenue.

Ad Valorem Taxes are broken down as follows:

	Mills
General Alimony	3.64
Total	3.64

3. 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 and bond covenants. In situations where it is permissible to spend restricted resources, the Village typically depletes the available restricted resources before consuming unrestricted resources. Restricted assets were applicable to the following at June 30, 2023:

Enterprise Fund:	
Customer Deposits	\$ 38,331
Governmental Fund:	
Road Maintenance – Cash	5,813
Road – Sales Tax Receivables	930
Total	\$ 45,074

VILLAGE OF CLAYTON, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

4. CHANGES IN FIXED ASSETS – PROPRIETARY FUNDS

A summary of enterprise fund plant and equipment at June 30, 2023, follows:

	<u>Beginning Balance</u>		<u>Additions</u>		<u>Deletions</u>		<u>Ending Balance</u>
Water & Gas System	\$ 2,466,090	\$	10,695	\$	-0-	\$	2,476,785
Sewer System	3,205,522		109,602		-0-		3,315,124
Total Fixed Assets	<u>5,671,612</u>		<u>120,297</u>		<u>-0-</u>		<u>5,791,909</u>
Less: Accumulated Depreciation	(3,626,238)		(155,413)		-0-		(3,781,651)
Net Fixed Assets	<u>\$ 2,045,374</u>	\$	<u>(35,116)</u>	\$	<u>-0-</u>	\$	<u>2,010,258</u>

5. CHANGES IN GENERAL FIXED ASSETS – GOVERNMENTAL FUNDS

	<u>Beginning Balance</u>		<u>Additions</u>		<u>Deletions</u>		<u>Ending Balance</u>
Fixed Assets*	\$ 1,579,431	\$	56,007	\$	-0-	\$	1,635,438
Accumulated Depreciation	(1,027,397)		(59,675)		-0-		(1,087,072)
Net Fixed Assets	<u>\$ 552,034</u>	\$	<u>(3,668)</u>	\$	<u>-0-</u>	\$	<u>548,366</u>

*Land in the amount of \$8,425 is included in the fixed assets and is not being depreciated.

Depreciation expense of \$59,67 for the year ended June 30, 2023, was charged to the following governmental functions:

General Government	\$	5,861
Public Safety:		
Police		2,435
Fire		1,753
Public Works:		
Streets		49,626
Total Depreciation	\$	<u>59,675</u>

6. CHANGES IN DEBT

The following is a summary of short-term obligation transactions of the Village of Clayton for the year ended June 30, 2023.

	<u>Notes Payable</u>		<u>Lease Payable</u>		<u>Total</u>
Balances as of 6/30/2022	\$ 208,457	\$	-0-	\$	208,457
Additions	-0-		44,307		44,307
Principal Retirements	(13,069)		(1,575)		(14,644)
Balances as of 6/30/2023	<u>\$ 195,388</u>	\$	<u>42,732</u>	\$	<u>238,120</u>

VILLAGE OF CLAYTON, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

Notes payable at June 30, 2023, are comprised of the following issues:

Certificate of Indebtedness Series 2017

Financing obtained through the State Bond Commission and Concordia Bank & Trust for general operating expenses with one principal and interest payment of \$255,625 in March of 2018. \$ 195,388

Auto Lease

Financing obtained through First Government for a lease on a 2023 Chevrolet Tahoe on January 18, 2023 in the amount of \$44,307 with payments of \$700 for 84 payments with interest at 14.9%. 42,732

Total \$ 238,120

The annual requirements to amortize all debt outstanding as of June 30, 2023, including interest payments, are as follows:

<u>Year Ending June 30,</u>	<u>\$225,625 Certificate of Indebtedness</u>	<u>\$44,307 Police Vehicle Lease</u>	<u>Total</u>
2024	195,388	8,400	203,788
2025	-0-	8,400	8,400
2026	-0-	8,400	8,400
2027	-0-	8,400	8,400
2028	-0-	8,400	8,400
2029-2033	-0-	732	732
2034-2038	-0-	-0-	-0-
2039-2043	-0-	-0-	-0-
\$	<u>195,388</u>	<u>42,732</u>	<u>238,120</u>

7. COMPENSATED ABSENCES

Each full-time employee is credited with one day of vacation leave for each month worked. The employee's vacation leave will begin to accumulate upon finishing a six-month probation period. Employees are allowed five days of sick leave up until his or her first anniversary date arrives. After his or her first anniversary, the employee shall earn sick leave at the rate of ten days per anniversary date. In accordance with GASB Statement No. 16, the Village had no accrued compensated absences as of June 30, 2023.

VILLAGE OF CLAYTON, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

8. RISK MANAGEMENT

The Village is exposed to certain risks of losses such as property damage, liability issues, and other potential losses that may occur. The Village minimizes its losses by purchasing commercial insurance. The Village’s exposure to the amount of insurance is considered to be immaterial.

9. RETIREMENT COMMITMENTS

The Village of Clayton employees are all members of the social security system and are members of no other retirement plan. The expense of social security is reflected in payroll taxes in the various statements of income.

10. TRANSFERS BETWEEN FUNDS

	Governmental Funds	Enterprise Fund
Transfers In (Out)	\$ (19,674)	19,674

Transfers were made for operational purposes.

11. ELECTED OFFICIAL'S

Name	Term	Title
Wilbert Washington	2020-2024	Mayor
Willie Evans	2020-2024	Alderman
Michelle D. Bethea	2020-2024	Alderman
Carl R. Thompson	2020-2024	Alderman
David K. Mitchell	2020-2024	Alderman Alderman
Abdul R. Sabir	2020-2024	

VILLAGE OF CLAYTON, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

12. WATER, SEWER, & GAS RATES

<u>Water:</u>	<u>Minimum Charge</u>	<u>Next</u>
Commercial	\$50.00 for 1 st 1,500 gals. water used	\$10.50 per thousand all other
Residential	\$36.00 for 1 st 1,500 gals. water used	\$9.50 per thousand all other
Sewer:		
Residential	\$30.50 for 1 st 2,000 gals. water used	
Gas:		
Commercial	Flexible \$53.44 for 1 st 1,000 used	\$16.09 per next 1,000 cu. ft. \$15.96 per next 1,000 cu. ft. \$15.82 over 2,000 cu. ft.
Residential	\$22.80 for 1 st 1,000 used	\$19.26 per next 1,000 cu. ft. \$18.98 per next 2,000 cu. ft. \$18.08 per next 3,000 cu. ft. \$17.58 per next 4,000 cu. ft. \$17.30 over 10,000 cu. ft. \$16.04 over 20,000 cu. ft.

13. USE OF ESTIMATES

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

14. ENCUMBRANCES

The Village does not utilize encumbrance accounting.

15. EXCESS EXPENDITURES OVER APPROPRIATIONS

The Village over spent its budget in the general fund by \$81,005 or 39% and \$3,469 or 30.2 in the public works fund.

Required Supplemental Information

Village of Clayton, Louisiana
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget & Actual
General Fund
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts Budgetary Basis	Differences Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 24,500	\$ 24,500	\$ 24,016	\$ (484)
License & Permits	2,000	2,000	4,910	2,910
Charges for Services	60,000	60,000	63,302	3,302
Fines & Forfeits	20,000	20,000	498,921	478,921
Interest Income	5	5	81	76
Intergovernmental – Capital Grants	50,000	50,000	77,555	27,555
Reimbursements	-0-	-0-	-0-	-0-
Other	500	500	994	494
Total Revenues	157,005	157,005	669,779	512,774
Expenditures				
General Government	152,670	152,670	35,588	117,082
Public Safety:				
Police	5,000	5,000	130,545	(125,545)
Fire	-0-	-0-	-0-	-0-
Street Sanitation	50,000	50,000	46,235	3,765
Debt Service	-0-	-0-	20,300	(20,300)
Capital Outlay	-0-	-0-	56,007	(56,007)
Total Expenditures	207,670	207,670	288,675	(81,005)
Excess (Deficiency) of Revenues Over Under Expenditures	(50,665)	(50,665)	381,104	330,439
Other Financing Sources (Uses)				
Transfers In/(Out)	75,000	75,000	(20,602)	54,398
Lease Proceeds	-0-	-0-	44,307	44,307
Total Other Financing Sources (Uses)	75,000	75,000	23,705	
Net Change in Fund Balance	\$ 24,335	\$ 24,335	404,809	\$ 380,474
Fund Balances - Beginning			73,163	

Fund Balances - Ending

\$ 477,972

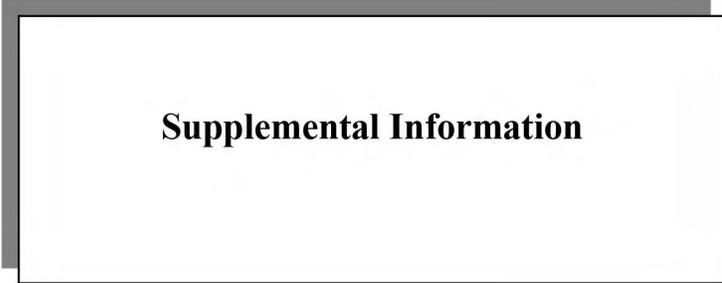
See independent auditor's report.

Statement 2

Village of Clayton, Louisiana
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget & Actual
Public Works
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts Budgetary Basis	Differences Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 13,000	\$ 13,000	\$ 15,715	\$ 2,715
Other Income	-0-	-0-	-0-	-0-
Total Revenues	13,000	13,000	15,715	2,715
Expenditures				
General Government	-0-	-0-	-0-	-0-
Street & Sanitation	11,470	11,470	14,939	(3,469)
Capital Outlay	-0-	-0-	-0-	-0-
Total Expenditures	11,470	11,470	14,939	(3,469)
Excess (Deficiency) of Revenues Over Under Expenditures	1,530	1,530	776	(754)
Other Financing Sources (Uses)				
Transfers In/(Out)	-0-	-0-	929	929
Total Other Financing Sources (Uses)	-0-	-0-	929	929
Net Change in Fund Balance	\$ -0-	\$ -0-	1,705	\$ 175
Fund Balances - Beginning			5,038	
Fund Balances - Ending			\$ 6,743	

See independent auditor's report.



Supplemental Information

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

Honorable Wilbert Washington, Mayor

Purpose	Amount
Salary	\$ 10,750
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.

**Village of Clayton
Clayton, Louisiana
Justice System Funding Schedule – Collecting/Disbursing Entity
Year Ended June 30, 2023**

	First Six Months Ended 12/31/2022	Second Six Months Ended 06/30/2023
Beginning Balance of Amounts Collected	\$	\$
Add: Collections		
Criminal Court Costs/Fees	-0-	-0-
Criminal Fines – Other Collection & Suspension Fees	64,928	403,124
Service/Collection Fees	-0-	-0-
Subtotal Collections	64,928	403,124
Less: Disbursements to Governments & Nonprofits		
Department of Health and Hospital	-0-	-0-
State Treasurer – CMIS	1	-0-
North LA Crime Lab	-0-	-0-
LA Commission on Law Enforcement	-0-	-0-
LA Supreme Court Education Fund	1	-0-
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	27,171	171,061
Less: Disbursements to Individuals/3rd Party Collection or Processing Agency		
QPD Processing Fee	9,785	60,071
EES Technology Fee	27,972	171,992
Subtotal Disbursements/Retainage	37,757	232,063
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	-0-	-0-
Ending Balance of “Partial Payments” Collected but not Disbursed		
Other Information:		

Ending Balance of Total Amounts Assessed but not yet Collected		-0-	-0-
Total Waivers During the Fiscal Period	\$	-0-	\$ -0-

See independent auditor's report.
Village of Clayton, Louisiana
Schedule of Assets, Liabilities, & Equity
LCDBG Grants
For the Year Ended June 30, 2023

	<u>LCDBG</u>	<u>TOTAL</u>
ASSETS		
Cash	\$ 101	\$ 101
Grant Revenues Receivable	-0-	-0-
TOTAL ASSETS	<u>101</u>	<u>101</u>
LIABILITIES & FUND EQUITY		
Accounts Payable	-0-	-0-
Due To Village	-0-	-0-
Unearned Revenue	-0-	-0-
TOTAL LIABILITIES	<u>-0-</u>	<u>-0-</u>
FUND BALANCE	<u>101</u>	<u>101</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 101</u>	<u>\$ 101</u>

LCDBG – Louisiana Community Development Block Grant

See independent auditor's report.
Village of Clayton, Louisiana
Schedule of Revenues, Expenditures &
Changes in Fund Balances
LCDBG Grants
For the Year Ended June 30, 2023

	LCDBG	TOTAL
REVENUES		
Capital Grants	\$ 50,052	\$ 50,052
TOTAL REVENUES	50,052	50,052
EXPENDITURES		
Administrative Services	-0-	-0-
Engineering Services	50,052	50,052
Project Construction	-0-	-0-
TOTAL EXPENDITURES	50,052	50,052
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-0-	-0-
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	-0-	-0-
TOTAL OTHER FINANCING SOURCES (USES)	-0-	-0-
NET CHANGE IN FUND BALANCE	-0-	-0-
FUND BALANCES--BEGINNING	101	101
FUND BALANCES--ENDING	\$ 101	\$ 101

LCDBG – Louisiana Community Development Block Grant

See independent auditor's report.



Other Reports

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

Honorable Wilbert Washington, Mayor
Members of the Board of Alderman
Clayton, 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, business-type activities, and each major fund of the Village of Clayton, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Clayton’s basic financial statements and have issued our report thereon dated December 8, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Clayton's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Clayton’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Clayton’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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Clayton's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item: **[2023-1 Budget Variance, 2023-2 Insufficient Restricted Cash, and 2023-3 Unremitted Traffic Fees]**

The Village of Clayton's Response to Findings

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

Purpose of this Report

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

The Vercher Group

Jena, Louisiana
December 8, 2023

**VILLAGE OF CLAYTON
CLAYTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2023**

We have audited the basic financial statements of the Village of Clayton, Louisiana, as of and for the year ended June 30, 2023, and have issued our report thereon dated December 8, 2023. We conducted our audit in accordance with generally accepted auditing standards and the standards in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I - Summary of Auditor's Results

Our audit of the financial statements as of June 30, 2023, resulted in an unmodified opinion.

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

Internal Control

Material Weaknesses Yes Significant Deficiencies Yes

Compliance

Compliance Material to Financial Statements Yes

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Type of Opinion on Compliance Unmodified Qualified
For Major Programs Disclaimer Adverse

Are the findings required to be reported in accordance with Uniform Guidance?

Yes No

c. Identification Of Major Programs:

CFDA Number (s)	Name Of Federal Program (or Cluster)

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

Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance? Yes No

VILLAGE OF CLAYTON, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2023

Section II – Financial Statement Findings

2023-1 Budget Variances (Compliance)

Condition: The Village had an unfavorable expenditure variance of \$81,005 or 39.0% in the general fund and an unfavorable expenditure variance of \$3,469 or 30.2% in the Public Works fund.

Criteria: The Budget Act requires governments to amend their budgets when revenues fall below budgeted amounts by more than 5% or when expenditures exceed 5% of appropriations.

Cause of Condition: Not amending the budget.

Effect of Condition: Violation of the Budget Act.

Recommendation: Revenues and expenditures should be monitored to determine if the budget should be amended before year end.

Client Response and Corrective Action: The Village will begin monitoring revenues and expenditures to determine if the budget should be amended.

Contact Person: Wilbert Washington

Anticipated Completion Date: June 30, 2024

2023-2 Insufficient Restricted Cash (Compliance)

Condition: The Village's customer meter deposit liability exceeded the amount of related restricted cash and cash equivalents.

Criteria: Restricted assets should always equal or exceed their related liability.

Cause of Condition: Insufficient funds in the restricted cash account.

Effect of Condition: Spending of restricted cash.

Recommendation: We recommend that management monitor the customer meter deposit balance and restricted cash balance. We recommend that management ensure that the restricted cash balance always equals or exceeds the customer meter deposit balance.

Client Response & Corrective Action: Management will work on this for the fiscal year 2024.

Contact Person: Wilbert Washington

Anticipated Completion Date: June 30, 2024

VILLAGE OF CLAYTON, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2023**

2023-3 Unremitted Traffic Ticket Fees (Compliance)

Condition: During a prior audit, it was noted that the Village had not remitted certain fees collected for traffic tickets on behalf of different state agencies for several months.

Criteria: The Louisiana Legislature imposes additional fees on traffic violations which are collected by municipalities and then remitted to the appropriate State agencies.

Cause of Condition: Nonpayment of fees collected on behalf of various State agencies.

Effect of Condition: Before adjusting entries were made, fines and forfeitures were overstated and accounts payable were understated.

Recommendation: We recommend that the Village report and remit traffic fees in a timely manner.

Client Response and Corrective action: Management will work on this for fiscal year 2024.

Contact Person: Wilbert Washington

Anticipated Completion Date: June 30, 2024

Section III – Federal Awards

Not Applicable.

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MANAGEMENT LETTER COMMENTS

During the course of our review, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Village's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No items to report.

VILLAGE OF CLAYTON
CLAYTON, LOUISIANA
JUNE 30, 2023

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Village of Clayton, Louisiana has provided the following action summaries relating to findings brought to their attention as a result of their financial review for the year ended June 30, 2022.

Prior Year Findings:

2022-1 Budget Variances (Unresolved)

Condition: The Village had an unfavorable revenue variance of \$73,868 or 27.3%.

Criteria: The Budget Act requires governments to amend their budgets when revenues fall below budgeted amounts by more than 5% or when expenditures exceed 5% of appropriations.

Cause of Condition: Not amending the budget.

Effect of Condition: Violation of the Budget Act.

Recommendation: Revenues and expenditures should be monitored to determine if the budget should be amended before year end.

Client Response and Corrective Action: The Village will begin monitoring revenues and expenditures to determine if the budget should be amended.

Contact Person: Wilbert Washington

Anticipated Completion Date: June 30, 2023

2022-2 Insufficient Restricted Cash (Unresolved)

Condition: The Village's customer meter deposit liability exceeded the amount of related restricted cash and cash equivalents.

Criteria: Restricted assets should always equal or exceed their related liability.

Cause of Condition: Insufficient funds in the restricted cash account.

Effect of Condition: Spending of restricted cash.

VILLAGE OF CLAYTON
CLAYTON, LOUISIANA
JUNE 30, 2023

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

Recommendation: We recommend that management monitor the customer meter deposit balance and restricted cash balance. We recommend that management ensure that the restricted cash balance always equals or exceeds the customer meter deposit balance.

Client Response & Corrective Action: Management will work on this for the fiscal year 2023.

Contact Person: Wilbert Washington

Anticipated Completion Date: June 30, 2023

2022-3 Unremitted Traffic Ticket Fees (Unresolved)

Condition: During a prior audit, it was noted that the Village had not remitted certain fees collected for traffic tickets on behalf of different state agencies for several months.

Criteria: The Louisiana Legislature imposes additional fees on traffic violations which are collected by municipalities and then remitted to the appropriate State agencies.

Cause of Condition: Nonpayment of fees collected on behalf of various State agencies.

Effect of Condition: Before adjusting entries were made, fines and forfeitures were overstated and accounts payable was understated.

Recommendation: We recommend that the Village report and remit traffic fees in a timely manner.

Client Response and Corrective action: Management will work on this for fiscal year 2023.

Contact Person: Wilbert Washington

Anticipated Completion Date: June 30, 2023

2022-4 Annual Filing of Financial Statements (Resolved)

Condition: The Village did not timely file their financial statements with the Legislative Auditor on a timely basis.

Criteria: (Required for financial audits performed under Government Auditing Standards): LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable, require that governmental units file their financial statements annually with the Legislative Auditor's Office within six months of the entity's year end closing.

Cause of Condition: Not having the financial statements completed on time.

**VILLAGE OF CLAYTON
CLAYTON, LOUISIANA
JUNE 30, 2023**

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

Prior Year Findings (Continued):

Effect of Condition: Potential Compliance Violation and a freeze on grant funding.

Recommendation: The Village should have their audit completed in time to file with the Legislative Auditor's Office within six months of the Village's year end closing.

Client Response and Corrective Action: The Village will have their audit completed in time to file with the Legislative Auditor's Office within six months of the Village's year end closing.

Contact Person: Wilbert Washington

Anticipated Completion Date: June 30, 2023

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Wilbert Washington, Mayor
Village of Clayton
Clayton, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Village of Clayton 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 period June 30, 2023. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

Exceptions: The Village has not adopted policies for all items listed above except for Payroll/Personnel.

Management's Response: Management will adopt policies and procedures for the above-listed.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit 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.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to managements corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions noted in the procedures performed.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional 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 each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exception: No documentation on research of items over 12 months.

Management Response: Management will document research on outstanding items that are over 12 months.

Collections (excluding electronic funds transfers)

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

Observations: Entity only has one deposit site.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Exception: Entity does not have enough personnel to properly segregate duties. Utilizes CPA oversight to mitigate risk.

Management Response: Board Reviews all collections and disbursements at board meetings to mitigate risk. The Village also hired outside CPA to prepare financial reports and review collections and disbursements.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions noted in the procedures performed.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted in the procedures performed.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in Bank reconciliations procedure, randomly select 5 non-payroll related electronic disbursements and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds per policy, and (b) approved by the required number of authorized signers per the entity's policy.

No exceptions noted in the procedures performed.

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

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions noted in the procedures performed.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exception: One out of five reimbursements did not have documentation.

Management Response: The Village will provide keep records of the needed documentations for travel expense reimbursements.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted in the procedures performed.

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee

or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted in the procedures performed.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
 - c) Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted in the procedures performed.

Debt Service

22. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
23. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions noted in the procedures performed.

Fraud Notice

24. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
25. Observe the entity has posted on its 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 exceptions noted in the procedures performed.

Information Technology Disaster Recovery/Business Continuity

26. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and 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.
- d) Randomly select 5 terminated employees using the list of terminated employees obtained observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedures and discussed results with management.

Prevention of Sexual Harassment

26. 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 exceptions noted in the procedures performed.

27. 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).

28. 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.

Exception: Village does not have a sexual harassment policy or complaint procedure.

Management Response: The Village will adopt a sexual harassment policy and file an annual report before February 1st each year.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

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

The Vercher Group

Jena, Louisiana
December 8, 2023