

Village of Varnado, Louisiana

Annual Financial Statements

As of and for the Year Ended December 31, 2022
With Supplemental Information Schedules

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

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

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

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

Accountant's Conclusion

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

Required Supplementary Information

Management is responsible for the other information included in the annual report. The Other information comprises the budgetary comparison schedules on pages 23, but does not include the basic financial statements and our auditor's report. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

Management has chosen to omit the Management's Discussion and Analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Other Supplementary Information

The supplementary information contained in the Other Supplemental Information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. I have received such supplementary information, and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on it.



Robert A. Neilson, CPA, LLC
Bogalusa, Louisiana
June 30, 2023

FINANCIAL STATEMENTS

**VILLAGE OF VARNADO, LOUISIANA
STATEMENT OF NET POSITION
For the Year Ended December 31, 2022**

	Governmental Activities
ASSETS:	
Cash and cash equivalents	\$ 358,085
Investments	60,000
Receivables:	
Tax	8,390
Intergovernmental	7,200
Video bingo	7,336
Prepaid Insurance	5,851
Capital assets, net of depreciation	176,366
Land	21,570
Utility deposits	475
Total Assets	645,273
LIABILITIES:	
Accounts payable	3,239
Payroll payable	1,582
Deferred grant revenue	-
Total Liabilities	4,821
NET ASSETS:	
Invested in capital assets, net of related debt	197,936
Restricted	157,013
Unrestricted	285,503
Total Net Assets	\$ 640,452

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

VILLAGE OF VARNADO, LOUISIANA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues
GOVERNMENTAL ACTIVITIES:					
General Government	\$ 30,476	\$ 14,207	\$ 59,186	\$ -	\$ 42,917
Public Safety	61,431	8,979	-	-	(52,452)
Streets & Sanitation	16,775	-	-	-	(16,775)
Total Governmental Activities	<u>108,682</u>	<u>23,186</u>	<u>59,186</u>	<u>-</u>	<u>(26,310)</u>
General Revenues:					
Property taxes					6,266
Sales taxes					57,497
Franchise taxes					-
Landfill operation refund					7,200
Interest					87,827
Video bingo					160
Insurance Proceeds					-
Miscellaneous					-
Total General Revenues					<u>158,950</u>
Change in Net Assets					132,640
Net Position, Beginning of Year					<u>507,812</u>
Net Position, End of Year					<u>\$ 640,452</u>

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

VILLAGE OF VARNADO, LOUISIANA
ALL GOVERNMENTAL FUNDS
BALANCE SHEET
For the Year Ended December 31, 2022

	Government Fund Types		
	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 261,067	\$ 97,018	\$ 358,085
Investments	25,000	35,000	60,000
Accounts Receivable:			
Taxes	2,911	5,479	8,390
Intergovernmental	7,200	-	7,200
Video bingo	7,336	-	7,336
Interfund Assets:			
Due from Sales Tax Fund	-	20,275	20,275
Prepaid Insurance	5,851	-	5,851
Utility Deposits	475	-	475
Total Assets	\$ 309,840	\$ 157,772	\$ 467,612
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts Payable	\$ 2,480	\$ 759	\$ 3,239
Payroll Payable	1,582	-	1,582
Deferred grant revenues	-	-	-
Interfund Liabilities:			
Due to General Fund	20,275	-	20,275
Total Liabilities	24,337	759	25,096
Fund Balance:			
Nonspendable	5,851	-	5,851
Restricted Fund Balances	-	157,013	157,013
Unassigned Fund Balances	279,652	-	279,652
Total Fund Balances	285,503	157,013	442,516
Total Liabilities & Fund Balances	\$ 309,840	\$ 157,772	\$ 467,612
RECONCILIATION:			
Total Governmental Funds Balance			\$ 442,516
Capital Assets-Net of Depreciation			176,366
Land			21,570
Net Position of Governmental Activities			\$ 640,452

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

VILLAGE OF VARNADO, LOUISIANA
ALL GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures
And Changes in Fund Balance
For the Year Ended December 31, 2022

	General Fund	Special Revenue Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Ad Valorem Taxes	\$ 6,266	\$ -	\$ 6,266
Sales Taxes	-	57,497	57,497
Fines	8,979	-	8,979
Landfill Rebate	7,200	-	7,200
Interest Income	160	-	160
Occupational Fees	14,207	-	14,207
American Rescue Plan	59,186	-	59,186
Video Bingo	87,827	-	87,827
Total Revenues	<u>183,825</u>	<u>57,497</u>	<u>241,322</u>
Expenditures			
General Government	27,329	-	27,329
Public Safety	55,561	-	55,561
Streets & Sanitation	-	12,852	12,852
Capital Outlay	8,298	58,718	67,016
Total Expenditures	<u>91,188</u>	<u>71,570</u>	<u>162,758</u>
Revenues over (under expenditures)	92,637	(14,073)	78,564
Other financing sources (uses)			
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	92,637	(14,073)	78,564
Fund Balance - Beginning of Year	<u>192,866</u>	<u>171,086</u>	<u>363,952</u>
Fund Balance - End of Year	<u>\$ 285,503</u>	<u>\$ 157,013</u>	<u>\$ 442,516</u>
RECONCILIATION:			
Change in Fund Balance-Funds Statement			\$ 78,564
Capital Outlay			67,016
Depreciation Expense-Government-Wide Statement			(12,940)
Change in Net Position			<u>\$ 132,640</u>

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

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF VARNADO
Notes to the Financial Statements
For the Year Ended December 31, 2022

Introduction

The Village of Varnado, Louisiana, was incorporated in 1947, under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Alderman form of government. The governing body of the Village is elected by the registered voters, residing in the Village. Elected officials include the mayor, three aldermen, and a police chief. These positions are compensated. All funds, of the Village, are administered by the Mayor and Board of Aldermen. Varnado is located approximately 10 miles south of the Mississippi state line. The Village is approximately 1321 acres in size and services a population of approximately 336. The Village employs one part-time office clerk and four part-time police officers.

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements (i.e., The Statement of Net Position and The Statement of Activities) report information on all of the governmental activities of the Village. The effect of inter-fund 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.

VILLAGE OF VARNADO
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of governmental and proprietary fund financial statements is on "Major" funds. Funds statements present in separate columns the General Fund, followed by Major Funds, with Non-Major Funds aggregated and displayed in a separate column. Governmental Accounting Standards Board Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of Major Funds. In addition to the funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users may be reported as a Major Fund. All of the Village's funds were determined to be Major Funds and were reported in the governmental funds statement. The proprietary fund is reported separately.

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

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

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 as 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 VARNADO
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

The Village reports the following major governmental funds:

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

The *Special Revenue Fund* accounts for the proceeds of sales tax revenue that are legally restricted to expenditures for specified purposes.

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

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

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

D. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of 90 days or less. State law and the Village's investment policy allow the Village to invest in collateralized certificates of deposit, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments for the Village are reported at fair value.

VILLAGE OF VARNADO
Notes to the Financial Statements
For the Year Ended December 31, 2022

E. Receivables and Payables

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

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

All trade and property tax receivables are shown net of an allowance for uncollectible accounts.

Property taxes are levied on January 1 and become due on December 1, of each year. They become delinquent after December 31, and in June of each year the Village has a tax sale of property on which taxes have not been paid. For the year ended December 31, 2022, taxes of 3.50 mills were levied for general governmental purposes, on property.

F. Inventories and Prepaid Items

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

G. Restricted Assets

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

H. Capital Assets

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

VILLAGE OF VARNADO
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

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

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

<u>Description</u>	<u>Lives</u>
General Government:	
Buildings	40 years
Streets	15 years
Bridges	30 years
Vehicles	5 years
Machinery & Equipment	7-10 years

I. Compensated Absences

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

J. Sales Taxes

Proceeds of the 1% sales and use tax levied by the Village are dedicated to “constructing and improving public roads, streets, bridges and crossings, and the extension and maintenance of sewerage and water works and other works of permanent public improvement”.

K. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

VILLAGE OF VARNADO
Notes to the Financial Statements
For the Year Ended December 31, 2022

L. Net Position and Fund Equity

In the government-wide financial statements, net position is classified in the following categories:

- **Invested in capital assets, net of related debt** – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or indebtedness attributable to acquisition, construction, or improvement of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to unspent proceed in not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset calculation as unspent proceeds.
- **Restricted** – This component of net position consists of constraints placed on the asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments or constraints imposed by law though constitutional provisions or enabling legislation.
- **Unrestricted** – This component of net position consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. Governmental funds are classified as follows:

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

VILLAGE OF VARNADO
Notes to the Financial Statements
For the Year Ended December 31, 2022

M. Extraordinary and Special Items

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

N. Estimates

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

O. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position is presented in Statement C of the basic financial statements. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities is presented in Statement D of the basic financial statements.

2. Stewardship, Compliance, and Accountability

The Village uses the following budget practices.

The proposed budget for December 31, 2022, was made available for public inspection at the administrative building. The budget was adopted at regular meeting on December 13, 2021. The proposed budget was prepared on modified accrual basis of accounting.

All expenditure appropriations lapse at end of fiscal year.

Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balances.

The budget was amended at the Village's regular meeting on December 12, 2022.

General fund and special revenue fund revenues were within the 5% threshold. Both the general fund and special revenue fund expenditures were within the legal variance of 5%.

VILLAGE OF VARNADO
Notes to the Financial Statements
For the Year Ended December 31, 2022

3. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents (book balances) at December 31, 2022 in noninterest bearing demand deposit accounts:

Demand Deposits	\$ 358,085
Total Cash	\$ 358,085

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2022, the Village had deposits (collected bank balances) of \$358,096. FDIC coverage and letters of credit issued by the bank totaled \$340,000. The Village was under-collaterized by \$18,096. The Village is exposed to custodial credit risk because the amount is not secured enough by letters of credit and such letters of credit are in the name of the fiscal agent bank (GASB Category 3).

4. Investments

At December 31, 2022, the Village had the following investments consisting of certificate of deposits in the following funds:

General Fund	\$ 25,000
Sales Tax Fund	35,000
Total	\$ 60,000

These deposits are secured from risk by \$250,000 of federal deposit insurance. Interest and investment earnings are recorded only if paid within 60 days since they would be considered both measurable and available.

VILLAGE OF VARNADO
Notes to the Financial Statements
For the Year Ended December 31, 2022

5. Receivables

Receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based on historical trends and the period aging and write-off of accounts receivable. Major receivables balances for the governmental activities include sales taxes, ad valorem taxes and due from government.

The following is a summary of receivables:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Total</u>
Taxes	\$ 2,911	\$ 5,479	\$ 8,390
Video Bingo	7,336	-	7,336
Intergovernmental	7,200	-	7,200
	<u>\$ 17,447</u>	<u>\$ 5,479</u>	<u>\$ 22,926</u>

6. Inter-fund Receivables and Payables

The following is a detailed list of inter-fund balances reported in the fund financial statements:

	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Total</u>
Interfund Receivables	\$ -	\$ 20,275	\$ 20,275
Interfund Payables	\$ 20,275	\$ -	\$ 20,275

VILLAGE OF VARNADO
Notes to the Financial Statements
For the Year Ended December 31, 2022

8. Accounts and Other Payables

The following is a summary of payables:

	General Fund	Sales Tax Fund	Total
Accounts payable	\$ 2,480	\$ 759	\$ 3,239
Payroll taxes	1,582	-	1,582
Deferred grant revenues	-	-	-
	<u>\$ 4,062</u>	<u>\$ 759</u>	<u>\$ 4,821</u>

7. Capital Assets

The following is a summary of changes in capital assets for governmental activities for the year ended December 31, 2022:

Description	Balance 12/31/2021	Increase	Decrease	Balance 12/31/2022
Land	\$ 21,570	\$ -	\$ -	\$ 21,570
Capital Assets				
Streets	520,040	58,718	-	578,758
Bridges	21,260	-	-	21,260
Buildings	62,563	-	-	62,563
Tractor and Equipment	41,238	8,298	-	49,536
Police Vehicles and Equipments	93,217	-	-	93,217
Total	<u>738,318</u>	<u>67,016</u>	<u>-</u>	<u>805,334</u>
Less Accumulated Depreciation				
Streets	(444,656)	(3,274)	-	(447,930)
Bridges	(11,231)	(650)	-	(11,881)
Buildings	(32,418)	(1,939)	-	(34,357)
Tractor and Equipment	(41,135)	(1,207)	-	(42,342)
Police Vehicles and Equipments	(86,588)	(5,870)	-	(92,458)
Total	<u>(616,028)</u>	<u>(12,940)</u>	<u>-</u>	<u>(628,968)</u>
Capital Assets, Net	<u>\$ 143,860</u>	<u>\$ 54,076</u>	<u>\$ -</u>	<u>\$ 197,936</u>

VILLAGE OF VARNADO
Notes to the Financial Statements
For the Year Ended December 31, 2022

The Village had street overlay costs of \$58,718 and purchased a lawn mower for \$8,298. No assets were disposed of. The Village recorded depreciation expense of \$12,940.

8. Litigation and Claims

As of December 31, 2022, the Village was not involved in any outstanding litigations or claims.

9. Related Party Transactions

There were no related party transactions requiring disclosure in the financial statements.

10. Subsequent Events

Subsequent events have been evaluated by management through June 30, 2023, the date the financial statements were available to be issued and these financial statements considered subsequent events through such date. No events were noted that required recording or disclosure in the financial statements for the fiscal year ending December 31, 2022.

REQUIRED SUPPLEMENTAL INFORMATION

VILLAGE OF VARNADO, LOUISIANA
ALL GOVERNMENTAL FUND TYPES
Statement of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2022

SCHEDULE 1

	General Fund				Sales Tax Fund			
	Original Budget	Amended Budget	Actual	Variance	Original Budget	Amended Budget	Actual	Variance
Revenues								
Ad Valorem Taxes	\$ 3,100	\$ 2,000	\$ 6,266	\$ 4,266	\$ -	\$ -	\$ -	-
Sale Taxes	-	-	-	-	58,000	57,500	57,497	(3)
Fines	13,000	9,700	8,979	(721)	-	-	-	-
Franchise Fees	900	-	-	-	-	-	-	-
Occupational Licenses	13,000	15,000	14,207	(793)	-	-	-	-
Operating Grant	29,000	29,593	59,186	29,593	-	-	-	-
Building Permits	60	50	-	(50)	-	-	-	-
Garbage Taxes	7,200	7,200	7,200	-	-	-	-	-
Video Bingo	42,000	84,000	87,827	3,827	-	-	-	-
Interest Income	200	140	160	20	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-
Miscellaneous	400	-	-	-	-	-	-	-
Total Revenues	<u>108,860</u>	<u>147,683</u>	<u>183,825</u>	<u>36,142</u>	<u>58,000</u>	<u>57,500</u>	<u>57,497</u>	<u>(3)</u>
Expenditures								
General Government	46,210	59,250	27,329	31,921	-	-	-	-
Public Safety	46,300	43,641	55,561	(11,920)	-	-	-	-
Streets & Sanitation	-	-	-	-	53,050	72,089	12,852	59,237
Capital Outlay	-	-	8,298	(8,298)	-	-	58,718	(58,718)
Total Expenditures	<u>92,510</u>	<u>102,891</u>	<u>91,188</u>	<u>11,703</u>	<u>53,050</u>	<u>72,089</u>	<u>71,570</u>	<u>519</u>
Revenues over (under) expenditures	16,350	44,792	92,637	47,845	4,950	(14,589)	(14,073)	516
Transfers	-	-	-	-	-	-	-	-
Net change in fund balances	<u>16,350</u>	<u>44,792</u>	<u>92,637</u>	<u>47,845</u>	<u>4,950</u>	<u>(14,589)</u>	<u>(14,073)</u>	<u>516</u>
Fund Balance - Beginning of Year	192,866	192,866	192,866	-	171,086	171,086	171,086	-
Fund Balance - End of Year	<u>\$ 209,216</u>	<u>\$ 237,658</u>	<u>\$ 285,503</u>	<u>\$ 47,845</u>	<u>\$ 176,036</u>	<u>\$ 156,497</u>	<u>\$ 157,013</u>	<u>\$ 516</u>

SUPPLEMENTAL INFORMATION

SCHEDULE 2

**VILLAGE OF VARNADO, LOUISIANA
Schedule of Compensation Paid to Board Members**

For the Year Ended December 31, 2022

<u>BOARD MEMBER</u>	<u>POSITION</u>	<u>COMPENSATION</u>
Paris Sumrall 63318 Fornea Road, Varnado, La 70467	Mayor	\$ 3,575
Kimberly Kennedy 63345 Fornea Road, Varnado, La 70467	Alderman	3,575
James Ezell 63267 Fornea St, Angie, La 70426	Alderman	3,575
Brian Walker 25527 Coleman St, Angie, La 70426	Alderman	3,575
Total		<u>\$ 14,300</u>

SCHEDULE 3

VILLAGE OF VARNADO, LOUISIANA
Schedule of Compensation, Benefits, and Other Payments to Agency Head

Year End December 31, 2022

Agency Head: Paris Sumrall, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 3,575
Conference Registration	448
Total	<u>\$ 4,023</u>

SCHEDULE 4

**VILLAGE OF VARNADO, LOUISIANA
Justice System Funding Schedule – Collecting / Disbursing Entity**

As Required by Act 87 of the 2020 Regular Legislative Session

	First Six Month Period Ended 06/30/22	Second Six Month Period Ended 12/31/22
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	(0)	(0)
Add: Collections		
Criminal Fines - Other	5,141	3,838
Subtotal Collections	5,141	3,838
Less: Disbursements To Governments & Nonprofits: <i>(Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)</i>		
<i>La Commission on Law Enforcement</i>	47	41
<i>Louisiana Judicial College</i>	12	11
Less: Amounts Retained by Collecting Agency		
<i>Village of Varnado-Criminal Fines-Other</i>	5,082	3,786
Subtotal Disbursements/Retainage	5,141	3,838
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on ha	(0)	(0)
Ending Balance of "Partial Payments" Collected but not Disbursed <i>(only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not</i>	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected <i>(i.e. receivable balance)</i>	-	-
Total Waivers During the Fiscal Period <i>(i.e. non-cash reduction of receivable balances, such as time served or community service)</i>	-	-

ROBERT A. NEILSON
CERTIFIED PUBLIC ACCOUNTANT, L.L.C.

ROBERT A. NEILSON
MEMBER
AMERICAN INSTITUTE OF CPA'S
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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT ON APPLYING AGREED-UPON
PROCEDURES FOR COMPLIANCE WITH LAWS AND REGULATIONS**

To the Mayor and Board of Aldermen
Village of Varnado

I have performed the procedures enumerated below, which were agreed to by the management of the Village of Varnado, and the Legislative Auditor, State of Louisiana solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended December 31, 2022 included in the accompanying Louisiana Attestation Questionnaire. Management of the Village is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, I 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.

My procedures and findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.
 - *No exception noted.*

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124.
 - *The Village of Varnado provided this information.*

3. Obtain a list of all employees paid during the fiscal year.
 - *A payroll register was obtained.*
4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.
 - *No exceptions noted, no employee in Procedure 3 were included on the list from Procedure 2.*
5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.
 - *No payments were made to any related parties.*

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.
 - *Budgets and amendments for the General fund, and sales tax fund were acquired.*
7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.
 - *No exceptions noted.*
8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.
 - *Actual revenues were greater than budgeted, and actual expenditures were less than budgeted.*

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and: (a) report whether the six disbursements agree to the amount and payee in the supporting documentation, (b) report whether the six disbursements are coded to the correct fund and general ledger account, and (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.
 - *No exceptions noted.*

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28; and report whether there are any exceptions.
 - *The Village of Varnado properly posted a notice and accompanying agenda for each meeting.*

Debt

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

- *No deposits were related to the proceeds of bank loans, bonds, or indebtedness.*

Advances and Bonuses

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

- *No exception noted.*

State Audit Law

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

- *The Village of Varnado is in compliance.*

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

- *The Village of Varnado did not enter into any contracts as referenced above.*

Prior-Year Comments

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

- *No exception, the Village of Varnado had no prior-year suggestions, recommendations, and/or comments to have been resolved.*

I was not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the informations and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.



Robert A. Neilson, CPA
Bogalusa, Louisiana
June 23, 2023

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

Dear Chief Executive Officer:

Attached is the Louisiana Attestation Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of the review/attestation engagement of Louisiana government agencies. Upon completion, the questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting. Independently elected governmental officials should sign the document, in lieu of such a resolution.

The completed attestation questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the independent certified public accountant at the beginning of the engagement.** The CPA will, during the course of his engagement, perform certain agreed-upon procedures to the responses in the questionnaire. It is not necessary to return the questionnaire to my office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the CPA during the course of his engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

06/07/2023 (Date Transmitted)

Robert A. Neilson, CPA, LLC

P.O. Box 98
Bogalusa, LA 70429

(Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No []

Code of Ethics for Public Officials and Public Employees

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

Yes [] No []

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

Yes [] No []

Budgeting

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

Yes [] No []

Accounting and Reporting

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

Meetings

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

Yes [] No []

Debt

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

Yes [] No []

Advances and Bonuses

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

Yes [] No []

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

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

<u>Mary Adams</u>	Secretary	Date
<u>Paul C. Dumas</u>	Treasurer	Date
<u>Paul C. Dumas</u>	President	Date