

VILLAGE OF SIKES, LOUISIANA

Annual Financial Statements

JUNE 30, 2014

**Village of Sikes
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June 30, 2014**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Kenneth Womack, Mayor
& Members of the Town Council
Sikes, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the Village of Sikes, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Village of Sikes's basic financial statements as listed in the table of contents.

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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the Village of Sikes, as of June 30, 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, are 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2014, on our consideration of the Village of Sikes'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Sikes's internal control over financial reporting and compliance.

The Vercher Group

December 18, 2014

Jena, Louisiana

VILLAGE OF SIKES

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Village, we offer readers of the Village of Sikes' financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2014. 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 \$361,908 (*net position*). This is a \$15,145 decrease from last year, mainly due to a decrease in capital assets, net of accumulated depreciation in the amount of \$13,912.
- The Village had total revenue of \$8,697, in which \$7,061 came from fees and charges, \$1,058 came from taxes, and \$578 came from miscellaneous revenue. This is a \$2,093 decrease from last year's revenues, mainly due to a decrease in fees and charges in the amount of \$1,744.
- The Village had total expenditures of \$9,930, which is a \$1,789 increase from last year, mainly due to an increase in personnel expense in the amount of \$1,506.

Enterprise Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$2,990,073 (*net position*). This is a \$943,572 increase from last year, mainly due to an increase in capital assets, net of accumulated depreciation in the amount of \$917,786.
- The Village had total revenue of \$1,069,778, including operating revenues of \$108,117, non-operating revenues of \$823, and capital contributions in the amount of \$960,838. This is a \$885,233 increase from last year, mainly due to an increase in capital contributions in the amount of \$883,003.
- The Village had total expenses of \$133,991, in which \$133,119 was operating expenses and \$872 was non-operating expenses. This is a \$35,429 decrease from last year, mainly due to a decrease in repair and maintenance in the amount of \$36,211.

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.

Effective, January 1, 2004, the Village adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

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 accountant has provided assurance in his independent accountant'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 accountant regarding the other information included in this report. A user of this report should read the independent accountant'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

The following table represents a condensed Comparative Statement of Net Position as of June 30, 2014:

	<u>2013</u>	<u>2014</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 3,357	\$ 2,571	-23.4
Receivables	1,448	1,478	2.1
Capital Assets, Net of Accumulated Depreciation	372,493	358,581	-3.7
Total Assets	<u>377,298</u>	<u>362,630</u>	-3.9
Liabilities & Net Position			
Accounts, Salaries, & Other Payables	245	722	194.7
Total Liabilities	<u>245</u>	<u>722</u>	194.7
Net Position			
Net Investment in Capital Assets	372,493	358,581	-3.7
Restricted For Debt Service	-0-	-0-	0.0
Unrestricted	4,560	3,327	-27.0
Total Net Position	<u>\$ 377,053</u>	<u>\$ 361,908</u>	-4.0

Comparative Changes in Fund Balances

The following table reflects the condensed Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2014:

	<u>2013</u>	<u>2014</u>	<u>% Change</u>
Beginning Fund Balances	\$ 1,911	\$ 4,560	138.6
Total Revenues	10,790	8,697	-19.4
Total Expenditures	(8,141)	(9,930)	22.0
Total Transfers In (Out)	-0-	-0-	0.0
Increase (Decrease) in Fund Balances	<u>2,649</u>	<u>(1,233)</u>	146.5
Ending Fund Balances	<u>\$ 4,560</u>	<u>\$ 3,327</u>	-27.0

MD&A

ENTERPRISE FUNDS

Comparative Statement of Net Position

The following table represents a condensed Comparative Statement of Net Position as of June 30, 2014:

	2013	2014	% Change
Assets			
Cash & Investments	\$ 100,716	\$ 102,199	1.5
Receivables	8,672	8,457	-2.5
Restricted Assets	19,124	18,411	-3.7
Capital Assets, Net of Accumulated Depreciation	1,951,154	2,868,940	47.0
Total Assets	<u>2,079,666</u>	<u>2,998,007</u>	44.2
Liabilities			
Accounts, Salaries, & Other Payables	10,890	3,659	-66.4
Customer Deposits	4,275	4,275	0.0
Current Bonds & Notes Payable	3,000	-0-	-100.0
Non-Current Bonds & Notes Payable	15,000	-0-	-100.0
Total Liabilities	<u>33,165</u>	<u>7,934</u>	-76.1
Net Position			
Net Investment in Capital Assets	1,933,154	2,868,940	48.4
Restricted For Debt Service	8,195	4,622	-43.6
Unrestricted	105,152	116,511	10.8
Total Net Position	<u>\$ 2,046,501</u>	<u>\$ 2,990,073</u>	46.1

Comparative Changes in Net Position

The following table reflects the condensed Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2014:

	2013	2014	% Change
Operating Revenues	\$ 106,540	\$ 108,117	1.5
Non-Operating Revenues	170	823	384.1
Total Revenues	<u>106,710</u>	<u>108,940</u>	2.1
Operating Expenses	167,420	133,119	-20.5
Non-Operating Expenses	2,000	872	-56.4
Total Expenses	<u>169,420</u>	<u>133,991</u>	-20.9
Income (Loss) before Transfers and Contributions	<u>(62,710)</u>	<u>(25,051)</u>	-60.1
Transfers In (Out)	-0-	-0-	0.0
Capital Contributions	77,835	960,838	1,134.5
Increase (Decrease) in Net Position	15,125	935,787	6,087.0
Prior Period Adjustment	<u>-0-</u>	<u>7,785</u>	100.0
Beginning Net Position	2,031,376	2,046,501	0.7
Ending Net Position	<u>\$ 2,046,501</u>	<u>\$ 2,990,073</u>	46.1

MD&A

CAPITAL ASSETS

Capital Assets – Governmental Fund

At June 30, 2014, the Village had \$358,581 invested in capital assets, including equipment.

Capital Assets at Year-End

	2013	2014
Equipment	\$ 556,477	\$ 556,477
Accumulated Depreciation	(183,984)	(197,896)
Total	\$ 372,493	\$ 358,581

Capital Assets – Enterprise Fund

At June 30, 2014, the Village had \$2,868,940 invested in capital assets, including the sewer system, machinery, and equipment.

Capital Assets at Year-End

	2013	2014
Sewer System	\$ 671,020	\$ 671,020
Water System *	1,808,251	2,777,409
Accumulated Depreciation	(528,117)	(579,489)
Total	\$ 1,951,154	\$ 2,868,940

* Land in the amount of \$600 is not being depreciated.

CHANGES IN LONG-TERM DEBT-ENTERPRISE

The following is a summary of bond transactions of the Village of Sikes for the year ended June 30, 2014:

	Balance 6-30-2013	Additions	Reductions	Balance 6-30-2014
Water Utility Bonds	\$ 16,000	\$ -0-	\$ (16,000)	\$ -0-
Total	\$ 16,000	\$ -0-	\$ (16,000)	\$ -0-

Notes and bonds payable at June 30, 2014, are comprised of the following individual issues:

Revenue bonds administered by the Water and Sewer Enterprise Fund:

\$30,000 Water Utility Bonds with \$3,000 in principle due each year plus interest; due in 2016. \$ -0-

MD&A

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 entity's finances and to show that the entity's accountability for the money it receives. If you have questions about this report or need additional information, contact Mayor Kenneth Womack at the Village Hall, phone number (318) 628-2634.

BASIC FINANCIAL STATEMENTS

VILLAGE OF SIKES
Statement of Net Position
June 30, 2014

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>PRIMARY GOVERNMENT BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 2,571	\$ 78,617	\$ 81,188
Investments	-0-	23,582	23,582
Receivables (Net of Allowances for Uncollectables)	1,478	8,457	9,935
TOTAL CURRENT ASSETS	<u>4,049</u>	<u>110,656</u>	<u>114,705</u>
NON-CURRENT ASSETS			
Restricted Cash	-0-	18,411	18,411
Capital Assets (Net of Accumulated Depreciation)	358,581	2,868,940	3,227,521
TOTAL NON-CURRENT ASSETS	<u>358,581</u>	<u>2,887,351</u>	<u>3,245,932</u>
TOTAL ASSETS	<u>362,630</u>	<u>2,998,007</u>	<u>3,360,637</u>
CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	722	3,659	4,381
Current Portion - Bonds Payable (Payable From Restricted Assets)	-0-	-0-	-0-
TOTAL CURRENT LIABILITIES	<u>722</u>	<u>3,659</u>	<u>4,381</u>
NON-CURRENT LIABILITIES			
Customer Deposits (Payable From Restricted Assets)	-0-	4,275	4,275
Non-Current - Bonds Payable	-0-	-0-	-0-
TOTAL NON-CURRENT LIABILITIES	<u>-0-</u>	<u>4,275</u>	<u>4,275</u>
TOTAL LIABILITIES	<u>722</u>	<u>7,934</u>	<u>8,656</u>
NET POSITION			
Net Investment in Capital Assets	358,581	2,868,940	3,227,521
Restricted-Expendable	-0-	4,622	4,622
Unrestricted	3,327	116,511	119,838
TOTAL NET POSITION	<u>\$ 361,908</u>	<u>\$ 2,990,073</u>	<u>\$ 3,351,981</u>

The Accompanying Notes Are an Integral Part of This Statement

VILLAGE OF SIKES
Balance Sheet
June 30, 2014

ASSETS	
Cash	\$ 2,571
Accounts Receivable, Net	1,478
TOTAL ASSETS	<u>4,049</u>
 LIABILITIES & FUND BALANCE	
Accounts Payable	722
Fund Balance, Unassigned	3,327
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 4,049</u>

The Accompanying Notes Are an Integral Part of This Statement

VILLAGE OF SIKES
Reconciliation of the Balance Sheet – Governmental Funds
To the Statement of Net Position
Year Ended June 30, 2014

Total fund balance – Governmental Funds	\$	3,327
<p>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in Governmental Activities are not current financial resources and, therefore, are not reported in the Balance Sheet – Governmental Funds.</p>		358,581
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds.</p>		<p style="text-align: right;">-----0-----</p>
Total Net Position of Governmental Activities	\$	361,908

The Accompanying Notes Are an Integral Part of This Statement

VILLAGE OF SIKES
Statement of Revenues, Expenditures, & Changes in Fund Balance
For the Year Ended June 30, 2014

REVENUES	
Fees & Charges	\$ 7,061
Taxes	1,058
Miscellaneous	578
TOTAL REVENUES	<u>8,697</u>
EXPENDITURES	
Personnel Expense	4,232
Other Administrative	2,020
Utilities	3,182
Repairs & Maintenance	496
TOTAL EXPENDITURES	<u>9,930</u>
REVENUES OVER(UNDER) EXPENDITURES	(1,233)
TRANSFERS IN (OUT)	<u>-0-</u>
NET CHANGE IN FUND BALANCE	(1,233)
FUND BALANCES—BEGINNING	<u>4,560</u>
FUND BALANCES—ENDING	<u>\$ 3,327</u>

The Accompanying Notes Are an Integral Part of This Statement

VILLAGE OF SIKES
Reconciliation of the Statement of Revenues, Expenditures, & Changes in Fund Balances
of Government Funds to the Statement of Activities
Year Ended June 30, 2014

Net change in fund balance – total governmental funds	\$	(1,233)
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital Outlays	-0-	
Depreciation	(13,912)	(13,912)

The issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of 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 first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of these differences in the treatment of long-term debt and related items is as follows:

Principal Payments	-0-	
Change in Net Position of Governmental Activities	\$	<u>(15,145)</u>

The Accompanying Notes Are an Integral Part of This Statement

Village of Sikes, Louisiana
Statement of Net Position, Proprietary Funds
June 30, 2014

	BUSINESS TYPE ACTIVITIES ENTERPRISE FUND WATER & SEWER FUND
CURRENT ASSETS	
Cash & Cash Equivalents	\$ 78,617
Investments	23,582
Receivables (Net of Allowances for Uncollectible)	8,457
TOTAL CURRENT ASSETS	110,656
NON-CURRENT ASSETS	
Restricted Cash	18,411
Capital Assets (Net of Accumulated Depreciation)	2,868,940
TOTAL NON-CURRENT ASSETS	2,887,351
TOTAL ASSETS	2,998,007
CURRENT LIABILITIES	
Accounts, Salaries, & Other Payables	3,659
Current Bond Payable (Payable From Restricted Assets)	-0-
TOTAL CURRENT LIABILITIES	3,659
NON-CURRENT LIABILITIES	
Customer Deposits (Payable From Restricted Assets)	4,275
Bond Payable	-0-
TOTAL NON-CURRENT LIABILITIES	4,275
TOTAL LIABILITIES	7,934
NET POSITION	
Net Investment in Capital Assets	2,868,940
Restricted	4,622
Unrestricted	116,511
TOTAL NET POSITION	\$ 2,990,073

The Accompanying Notes Are an Integral Part of This Statement

Village of Sikes, Louisiana
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
June 30, 2014

	BUSINESS TYPE ACTIVITIES ENTERPRISE FUND WATER & SEWER FUND
OPERATING REVENUES	
Charges for Services	\$ 108,117
TOTAL OPERATING REVENUES	108,117
OPERATING EXPENSES	
Administrative Expense	6,479
Contract Labor	15,155
Maintenance & Repair	33,594
Other Operating	9,527
Utilities	16,992
Depreciation	51,372
TOTAL OPERATING EXPENSES	133,119
OPERATING INCOME (LOSS)	(25,002)
NON-OPERATING REVENUES (EXPENSES)	
Other Revenue	823
Interest Expense	(872)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(49)
TRANSFERS IN (OUT)	-0-
Capital Contributions	960,838
CHANGE IN NET POSITION	935,787
PRIOR PERIOD ADJUSTMENT	7,785
TOTAL NET POSITION – BEGINNING	2,046,501
TOTAL NET POSITION – ENDING	\$ 2,990,073

The Accompanying Notes Are an Integral Part of This Statement

Village of Sikes, Louisiana
Statement of Cash Flows
Proprietary Funds
June 30, 2014

	<u>BUSINESS TYPE ACTIVITIES ENTERPRISE FUND WATER & SEWER FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers & Users	\$ 108,332
Payments to Suppliers	(88,978)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>19,354</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Other Revenue	823
Transfer From (To) Funds	-0-
CASH FLOWS FROM NON-OPERATING ACTIVITIES	<u>823</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Capital Grants	960,838
Acquisition of Capital Assets	(969,158)
Interest Paid on Capital Debt	(872)
Principal Paid on Capital Debt	(16,000)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(25,192)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Change in Restricted Assets & investments	573
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>573</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(4,442)
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	83,059
CASH & CASH EQUIVALENTS, END OF YEAR	<u>78,617</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	(25,002)
Depreciation Expense	51,372
(Increase) Decrease in Accounts Receivable	215
Increase (Decrease) in Accounts Payable	(7,231)
Increase (Decrease) in Customer Deposits	-0-
TOTAL ADJUSTMENTS	<u>44,356</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 19,354</u>

The Accompanying Notes Are an Integral Part of This Statement

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

VILLAGE OF SIKES, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting and reporting policies of the Village of Sikes 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.

Impact of Recently Issued Accounting Principles

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASBS No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012. The adoption of GASBS No. 62 does not have any impact on the Authority's financial statements.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Statement of Net Assets is renamed the Statement of Net Position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012. The adoption of GASBS No. 63 does not have any impact on the Authority's financial statements.

The following is a summary of certain significant accounting policies:

VILLAGE OF SIKES, 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 segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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 and fiduciary 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 SIKES, 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:

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.

The municipality reports the following major proprietary funds:

- Water and Sewer Fund

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 charges for services and sales taxes. 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 Position are available.

VILLAGE OF SIKES, 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:

Invested 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 “invested in capital assets.”

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

In the fund financial statements, governmental fund equity is classified as fund balance. The Village 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 a government’s fund balance more transparent. The following classifications describe the relative strength of the spending 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 SIKES, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

D. FIXED ASSETS & LONG-TERM LIABILITIES

For the year ended June 30, 2014, no interest costs were capitalized for construction of fixed assets.

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:

	Life In Years
Water System	40
Sewer System	40
Buildings	40
Equipment	5-10

E. CASH, CASH EQUIVALENTS, & INVESTMENTS

All cash and investments (CD's over 90 days) are reported at cost and are on deposit at federally insured banks.

It is the Village's policy for 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 fiscal year-end. All deposits were secured at the 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.

Total Cash	\$ <u>124,110</u>
FDIC (<i>Category 1</i>)	124,110
Securities (<i>Category 2</i>)	-0-
Uncollateralized (<i>Category 3</i>)	-0-
Total Secured	\$ <u>124,110</u>

VILLAGE OF SIKES, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

F. INVENTORIES

Immaterial amounts of inventory are maintained for general fund and enterprise fund operations and, accordingly, these supplies are expensed as purchased.

G. ACCOUNTS RECEIVABLE & ALLOWANCE FOR BAD DEBTS

At June 30, 2014, no reserve for bad debts in the general fund was required since the estimated uncollectible receivables outstanding were considered immaterial.

	Enterprise Fund	Governmental Fund
	Water & Sewer Fund	General Fund
Fees & Charges	\$ -0-	\$ 1,478
Customer	8,457	-0-
Total	\$ 8,457	\$ 1,478

H. COMPENSATED ABSENCES

The entity has no compensated absence policy.

I. RESTRICTED

The entity records restrictions to indicate that a portion of its Net Position balances are legally restricted for a specific future use. The following is a list of such restrictions and a description of each:

Restricted - Revenue Bonds

This amount represents monies restricted as required by the revenue bond indentures.

Restricted for Debt Service

Certain assets have been restricted in the Debt Service Fund for future payment of long-term liabilities of the governmental funds.

VILLAGE OF SIKES, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(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 Winn 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

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, 2014, taxes of 5.87 mills were levied against property having a valuation of some \$81,294,859 which produced some \$1,296 in revenue.

Ad Valorem Taxes are broken down as follows:

	<u>Mills</u>
General Alimony	5.87
Total	<u>5.87</u>

(3) RESTRICTED ASSETS - PROPRIETARY FUND TYPES

At June 30, 2014, restricted assets of the Enterprise Funds were invested in either interest bearing checking accounts or time deposits and were restricted for the following purposes:

	<u>Water</u>	<u>Sewer</u>	
Bond Sinking	\$ -0-	\$ -0-	
Meter Deposit	13,789	-0-	
Bond Reserve	4,622	-0-	
Depreciation & Contingencies	-0-	-0-	
Total	<u>\$ 18,411</u>	<u>\$ -0-</u>	

VILLAGE OF SIKES, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(4) FIXED ASSETS

PROPERTY ENTERPRISE FUND: PLANT AND EQUIPMENT

A summary of enterprise fund property, plant and equipment at June 30, 2014, is as follows:

	Balance 6-30-2013	Additions (Deletions)	Balance 6-30-2014
<u>Water</u>			
Distribution System *	\$ 1,808,251	\$ 969,158	\$ 2,777,409
Accumulated Depreciation	(242,941)	(37,952)	(280,893)
Net	1,565,310	931,206	2,496,516
<u>Sewer</u>			
Plant	671,020	-0-	671,020
Accumulated Depreciation	(285,176)	(13,420)	(298,596)
Net	\$ 385,844	\$ (13,420)	\$ 372,424

* Land in the amount of \$600 is not being depreciated.

Enterprise fund assets are depreciated on the straight-line basis using the following useful lives:

Sewer Plant	40 Years
Water Plant	40 Years
Equipment	5-10 Years

GOVERNMENTAL FUND

A summary of governmental fund depreciable assets at June 30, 2014, is as follows:

	Balance 6-30-2013	Additions (Deletions)	Balance 6-30-2014
Equipment	\$ 556,477	\$ -0-	\$ 556,477
Accumulated Depreciation	(183,984)	(13,912)	(197,896)
Net	\$ 372,493	\$ (13,912)	\$ 358,581

Government fund assets are depreciated on the straight-line basis using the following useful lives:

Equipment	5-10 Years
Buildings	40 Years

VILLAGE OF SIKES, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(5) CHANGES IN LONG-TERM DEBT-ENTERPRISE

The following is a summary of bond transactions of the Village of Sikes for the year ended June 30, 2014:

	Balance 6-30-2013	Additions	Reductions	Balance 6-30-2014
Water Utility Bonds	\$ 16,000	\$ -0-	\$ (16,000)	\$ -0-
Total	\$ 16,000	\$ -0-	\$ (16,000)	\$ -0-

Notes and bonds payable at June 30, 2014, are comprised of the following individual issues:

Revenue bonds administered by the Water and Sewer Enterprise Fund:

\$30,000 Water Utility Bonds with \$3,000 in principle due each year plus interest; due in 2016.	\$ -0-
	\$ -0-

Provision of Revenue Bond Indenture

Under the terms of the bond indenture on outstanding utility bonds, all income and revenues of every nature are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds:

- (a) On or before the 20th of each month, there will be set aside into a fund called the “Revenue Bond and Interest Sinking Fund” an amount constituting one-twelfth of the next maturing installment of principal and interest. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.
- (b) On or before the 20th of each month, there shall be set aside into a “Bond Reserve Fund” for the sewer bonds, and amount equal to 5% of the amount not be paid into the sinking fund.
- (c) Funds will also be set aside into a “Depreciation and Contingency Fund” at the rate of \$17 per month for the water bonds. Money in this fund may be used for the making of extraordinary repairs as replacements to the systems, which are necessary to keep the systems in operating condition, and is not available for maintenance and operating expenses.

VILLAGE OF SIKES, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

(6) RESTRICTED NET POSITION

The following represents restricted Net Position for the Village of Sikes as of June 30, 2014:

Total Restricted Cash	\$	18,411
Customer Deposit Cash		(13,789)
Current Bonds Payable		-0-
Total Restricted Net Position	\$	<u>4,622</u>

(7) ELECTED OFFICIAL'S SALARIES

Name	Title	Annualized Salary
Kenneth R. Womack	Mayor	\$2,700
Mike Riffe	Alderman	\$480
Rita Wroten	Alderman	\$480
Gary Dunn	Alderman	\$480

(8) 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.

(9) ENCUMBRANCES

The entity does not utilize encumbrance accounting.

VILLAGE OF SIKES, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

(10) RETIREMENT PLANS

The entity does not offer its employees a retirement plan. All employees are in the social security system.

(11) PRIOR PERIOD ADJUSTMENT

A prior period adjustment in the amount of \$7,785 was made to correct the water deposit fund and beginning bonds payable.

**SUPPLEMENTAL
INFORMATION**

VILLAGE OF SIKES, LOUISIANA
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget & Actual
General Fund
For the Year Ended June 30, 2014

	BUDGET AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	BUDGET VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Fees & Charges	\$ 5,900	\$ 5,900	\$ 7,061	\$ 1,161
Taxes	1,100	1,100	1,058	(42)
Other	1,150	1,150	578	(572)
TOTAL REVENUES	<u>8,150</u>	<u>8,150</u>	<u>8,697</u>	<u>547</u>
EXPENDITURES				
General & Administrative	6,217	6,217	6,252	(35)
Repairs and Maintenance	300	300	496	(196)
Utilities	3,000	3,000	3,182	(182)
Other	-0-	-0-	-0-	-0-
TOTAL EXPENDITURES	<u>9,517</u>	<u>9,517</u>	<u>9,930</u>	<u>(413)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,367)</u>	<u>(1,367)</u>	<u>(1,233)</u>	<u>134</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-0-	-0-	-0-	-0-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,367)</u>	<u>\$ (1,367)</u>	<u>(1,233)</u>	<u>\$ 134</u>
FUND BALANCES--BEGINNING			<u>4,560</u>	
FUND BALANCES--ENDING			<u>\$ 3,327</u>	

The accompanying notes are an integral part of this statement.

Other Reports

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Certified Public Accountants

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*

The Honorable Kenneth Womack, Mayor
& Members of the Town Council
Sikes, 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 and the business type activities of the Village of Sikes, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Village of Sikes's basic financial statements, and have issued our report thereon dated December 18, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Sikes'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 Sikes's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Sikes's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: **(2014-I-1 Small Size Entity)**.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Sikes'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Sikes's Response to Findings

The Village of Sikes's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Village of Sikes'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.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

December 18, 2014

Jena, Louisiana

**VILLAGE OF SIKES
SIKES, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2014**

We have audited the basic financial statements of the Village of Sikes, Louisiana, as of and for the year ended June 30, 2014, and have issued our report thereon dated December 18, 2014. 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. Our audit of the financial statements as of June 30, 2014, resulted in an unmodified report.

Section I - Summary of Auditor's Results

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

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

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 finding required to be reported in accordance with Circular A-133, Section .510(a)?

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 Circular A-133?

Yes No

**VILLAGE OF SIKES
SIKES, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2014**

Section II - Financial Statement Findings

2014-I-1 Small Size of Entity

Condition: Because of the small size of the Village and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Village's cash.

Criteria: Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving and check writing.

Cause of Condition: Small size of entity and lack of employees.

Effect of Condition: Significant deficiency in internal controls.

Recommendation: We recommend that management continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Client Response and Corrective Action: Management will continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Contact Person: Kenneth Womack, Mayor

Anticipated Completion Date: June 30, 2015

Section III – Federal Awards Findings and Questioned Costs

Not applicable.

VILLAGE OF SIKES, LOUISIANA

**MANAGEMENT'S CORRECTIVE ACTION
FOR CURRENT YEAR AUDIT FINDINGS**

FINDINGS:

2014-I-1 Small Size of Entity

Finding: Because of the small size of the Village and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Village's cash.

Corrective Action: Management will continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Contact Person: Kenneth Womack, Mayor

Anticipated Completion Date: June 30, 2015

VILLAGE OF SIKES, LOUISIANA

MANAGEMENT LETTER COMMENTS

During the course of our compilation, we observed conditions and circumstances that may be improved. Below are situations that may be improved (if any) and recommendations for improvements.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No findings to report.

VILLAGE OF SIKES, LOUISIANA

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

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

The management of the Village of Sikes, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2013.

PRIOR YEAR FINDINGS

2013-M-1 Budget Variances (Resolved)

Condition: The Village had an unfavorable expenditure variance of \$546 or 7.2%.

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