

**VILLAGE OF FOREST**  
Forest, Louisiana

**Annual Financial Statements**  
**With Independent Auditor's Report**  
**As of and for the Year Ended**  
**December 31, 2015**  
**With Supplemental Information Schedules**

VILLAGE OF FOREST  
Forest, Louisiana

Annual Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended December 31, 2015  
With Supplemental Information Schedules

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## Independent Auditor's Report

VILLAGE OF FOREST

Forest, Louisiana

### Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the Village of Forest as of December 31, 2015, and for the year then ended, and the related notes to the financial statements, which collectively comprise the village'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*

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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 Village of Forest'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 Village of Forest's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

VILLAGE OF FOREST  
Forest, Louisiana  
Independent Auditor's Report,  
December 31, 2015

*Opinions*

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Village of Forest as of December 31, 2015, and the respective changes in financial position for the year then ended in conformity 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 on pages 7 through 11 and the budgetary comparison information on pages 32 through 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Forest's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of compensation, benefits, and other payments to agency head on page 40 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

VILLAGE OF FOREST

Forest, Louisiana

Independent Auditor's Report,

December 31, 2015

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued a report dated February 15, 2016, on my consideration of the Village of Forest's internal control over financial reporting and on my 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 my 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 Forest's internal control over financial reporting and compliance.



West Monroe, Louisiana

February 15, 2016

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

VILLAGE OF FOREST  
Forest, Louisiana

**Management's Discussion and Analysis**  
December 31, 2015

As management of the Village of Forest, we offer readers of the Village of Forest's financial statements this narrative overview and analysis of the financial activities of the Village of Forest for the year ended December 31, 2015. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the Village's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Village's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

*Government-wide financial statements.* The *government-wide financial statements* are designed to provide readers with a broad overview of the Village of Forest's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Village of Forest's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Forest is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).



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

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

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

The Village of Forest adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

**Proprietary funds.** Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses its enterprise fund to account for its water utility operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the enterprise fund, which is considered to be a major fund of the Village.

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

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Village of Forest's performance.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Village of Forest exceeded liabilities by \$973,963. Approximately 19% of the Village of Forest's net position reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Village of Forest to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets being included in the statement of net position.

STATEMENT OF NET POSITION

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$195,796	\$174,344
Receivables	85,363	13,492
Total current assets	<u>281,159</u>	<u>187,836</u>
Restricted assets - cash and cash equivalents	64,022	63,775
Capital assets - not depreciated	27,500	27,500
Capital assets (net of accumulated depreciation)	<u>1,644,284</u>	<u>1,331,837</u>
<b>TOTAL ASSETS</b>	<u><u>\$2,016,965</u></u>	<u><u>\$1,610,948</u></u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$76,007	\$200
Customer meter deposits	33,495	32,990
Payable from restricted assets - accrued interest	3,180	3,222
Total current liabilities	<u>112,682</u>	<u>36,412</u>
Long term liabilities:		
Due in one year	11,783	11,266
Due in more than one year	836,112	848,092
Total long term liabilities	<u>847,895</u>	<u>859,358</u>
<b>TOTAL LIABILITIES</b>	<u><u>960,577</u></u>	<u><u>895,770</u></u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	180,859	167,093
Contributed capital (net of accumulated depreciation on fixed assets acquired with federal grant)	82,425	87,020
Retained earnings:		
Reserved for debt service	19,867	20,309
Reserved for contingencies	4,672	4,672
Unreserved - undesignated	<u>749,854</u>	<u>418,874</u>
Total retained earnings	<u>774,393</u>	<u>443,855</u>
Unrestricted	<u>18,711</u>	<u>16,316</u>
<b>TOTAL NET POSITION</b>	<u><u>\$973,963</u></u>	<u><u>\$627,264</u></u>

STATEMENT OF ACTIVITIES

	<u>2015</u>	<u>2014</u>
Primary Government:		
Governmental Activities:		
Personal services	\$2,789	\$3,000
Operating services	10,992	8,152
Materials and supplies	1,523	2,263
Public safety	2,675	2,456
Depreciation expense	<u>8,677</u>	<u>6,770</u>
Total Governmental Activities	<u><u>26,656</u></u>	<u><u>22,641</u></u>

Business-type Activities:		
Water and sewer		
Salaries	\$62,994	\$59,994
Payroll taxes	5,875	4,589
Administrative	12,101	15,735
Utilities	16,661	17,134
Repairs and maintenance	1,127	5,048
Insurance	14,539	17,487
Materials and supplies	24,566	14,303
Testing expense	1,296	1,227
Depreciation expense	57,582	48,619
Total Business-type Activities	<u>196,741</u>	<u>184,136</u>
Total Primary Government	<u>223,397</u>	<u>206,777</u>
Governmental Activities:		
Occupational licenses	7,907	7,951
Fees, charges and commissions	3,799	2,875
Other revenue	5,022	310
Business-type - Water sales	<u>201,186</u>	<u>180,899</u>
Total program revenues	<u>217,914</u>	<u>192,035</u>
Net Program Expenses (Revenues)	<u>(5,483)</u>	<u>(14,742)</u>
General revenues (expenses)		
Tax, franchise	6,090	6,070
Interest earned	1,073	1,703
Interest expense	(38,187)	(39,121)
Intergovernmental:		
State grant	20,000	
Federal grant	357,717	
Adjustment for depreciation on capital assets acquired with federal grants	<u>5,495</u>	<u>5,495</u>
Total general revenues (expenses)	<u>352,188</u>	<u>(25,853)</u>
Change in Net Position	<u>346,705</u>	<u>(40,595)</u>
Net Position - Beginning of year	<u>627,258</u>	<u>667,853</u>
Net Position - End of year	<u>\$973,963</u>	<u>\$627,258</u>

## Financial Analysis of the Government's Funds

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

As of December 31, 2015, the General Fund unreserved, unassigned fund balance of \$18,711 showed an increase of \$2,401 over December 31, 2014.

## General Fund Budgetary Highlights

Differences between the revenues of the original budget and the final budget was due to a decrease in franchise taxes and fees, charges and commissions and an increase in state grants and occupational licenses. Differences between the expenditures of the original budget and the final budget were due to a decrease in operating services and materials and supplies and an increase in capital outlay.

## **Capital Asset and Debt Administration**

**Capital assets.** The Village of Forest's investment in capital assets for its governmental activities as of December 31, 2015, amounts to \$180,859 (net of accumulated depreciation). This investment includes land, furniture and equipment. There were increases of \$22,443 and decreases of \$15,000 in capital outlay for the year ended December 31, 2015.

**Long-term debt.** At the end of the fiscal year, the Village of Forest had business type activity debt outstanding, in the form of revenue bonds, of \$847,895. During the year ended December 31, 2015, \$11,463 of debt was paid in accordance with the debt agreement.

## **Requests for Information**

This financial report is designed to provide a general overview of the Village of Forest's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village of Forest, P.O. Box 338, Forest, LA 71242.

February 15, 2016

**BASIC FINANCIAL STATEMENTS**

VILLAGE OF FOREST  
Forest, Louisiana

STATEMENT OF NET POSITION  
December 31, 2015

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$17,391	\$178,405	\$195,796
Accounts receivable	1,629	83,734	85,363
Total current assets	19,020	262,139	281,159
Restricted assets - cash and cash equivalents		64,022	64,022
Capital assets - not depreciated	27,500		27,500
Capital assets (net of accumulated depreciation)	153,359	1,490,925	1,644,284
<b>TOTAL ASSETS</b>	<b>\$199,879</b>	<b>\$1,817,086</b>	<b>\$2,016,965</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$309	\$75,698	\$76,007
Customer meter deposits		33,495	33,495
Payable from restricted assets - accrued interest		3,180	3,180
Total current liabilities	309	112,373	112,682
Long term liabilities:			
Due in one year		11,783	11,783
Due in more than one year		836,112	836,112
Total long term liabilities	NONE	847,895	847,895
<b>TOTAL LIABILITIES</b>	<b>309</b>	<b>960,268</b>	<b>960,577</b>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	180,859		180,859
Contributed capital (net of accumulated depreciation on capital assets acquired with federal grant)		82,425	82,425
Retained earnings:			
Reserved for debt service		19,867	19,867
Reserved for contingencies		4,672	4,672
Unreserved - undesignated		749,854	749,854
Total retained earnings		774,393	774,393
Unrestricted	18,711		18,711
<b>TOTAL NET POSITION</b>	<b>\$199,570</b>	<b>\$774,393</b>	<b>\$973,963</b>

The accompanying notes are an integral part of this statement.

VILLAGE OF FOREST  
Forest, Louisiana

STATEMENT OF ACTIVITIES  
December 31, 2015

	Governmental Activities	Business-Type Activities	Total Primary Government
Primary Government:			
Governmental Activities:			
Personal services	\$2,789		\$2,789
Operating services	10,992		10,992
Materials and supplies	1,523		1,523
Public safety	2,675		2,675
Depreciation expense	8,677		8,677
Total Governmental Activities	<u>26,656</u>	NONE	<u>26,656</u>
Business-type Activities:			
Water and sewer			
Salaries		\$62,994	62,994
Payroll taxes		5,875	5,875
Administrative		12,101	12,101
Utilities and telephone		16,661	16,661
Repairs and maintenance		1,127	1,127
Insurance		14,539	14,539
Materials and supplies		24,566	24,566
Testing expense		1,296	1,296
Depreciation expense		57,582	57,582
Total Business-type Activities	NONE	<u>196,741</u>	<u>196,741</u>
Total Primary Government	<u>26,656</u>	<u>196,741</u>	<u>223,397</u>
Governmental Activities:			
Occupational licenses	7,907		7,907
Fees, charges and commissions	3,799		3,799
Other revenue	5,022		5,022
Business-type Activity - Water sales		201,186	201,186
Total program revenues	<u>16,728</u>	<u>201,186</u>	<u>217,914</u>
Net Program Expenses (Revenues)	<u>(9,928)</u>	<u>4,445</u>	<u>(5,483)</u>
General revenues (expenses)			
Tax, franchise	6,090		6,090
Interest earned	5	1,068	1,073
Interest expense		(38,187)	(38,187)
Intergovernmental:			
State grant	20,000		20,000
Federal grant		357,717	357,717
Adjustment for depreciation on capital assets acquired with federal grants		5,495	5,495
Total general revenues (expenses)	<u>26,095</u>	<u>326,093</u>	<u>352,188</u>
Change in Net Position	16,167	330,538	346,705
Net Position - Beginning of year	183,403	443,855	627,258
Net Position - End of year	<u>\$199,570</u>	<u>\$774,393</u>	<u>\$973,963</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF FOREST  
Forest, Louisiana  
GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2015

	GOVERNMENTAL FUND TYPE - GENERAL FUND	PROPRIETARY FUND TYPE - WATER ENTERPRISE FUND
<b>ASSETS</b>		
Current assets:		
Cash	\$17,391	\$178,405
Accounts receivables	1,629	83,734
Total current assets	19,020	262,139
Restricted assets - cash and equivalents		64,022
Water system plant and equipment (Net of accumulated depreciation)		1,490,925
<b>TOTAL ASSETS</b>	<b>\$19,020</b>	<b>\$1,817,086</b>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Current liabilities:		
Accounts payable	\$309	\$75,698
Customer meter deposits		33,495
Payable from restricted assets - accrued interest		3,180
Revenue bonds payable		847,895
Total liabilities	309	960,268
Fund Equity:		
Contributed capital (net of accumulated depreciation on fixed assets acquired with federal grant)		82,425
Retained earnings:		
Reserved for debt service		19,867
Reserved for contingencies		4,672
Unreserved - undesignated		749,854
Total retained earnings	NONE	774,393
Fund balance - unreserved- unassigned	18,711	
Total Fund Equity	18,711	856,818
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$19,020</b>	<b>\$1,817,086</b>

The accompanying notes are an integral part of this statement.



VILLAGE OF FOREST  
Forest, Louisiana

Reconciliation of Governmental Funds  
Balance Sheet to the Statement of Net Position

For the Year Ended December 31, 2015

	Governmental Fund Type General Fund
Total Fund Balances - Governmental Funds (Statement C)	<u>\$18,711</u>
Cost of capital assets	\$253,639
Less: Accumulated depreciation	<u>(72,780)</u> <u>180,859</u>
Net Position (Statement A)	<u><u>\$199,570</u></u>

The accompanying notes are an integral part of this statement.

VILLAGE OF FOREST  
Forest, Louisiana  
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,  
and Changes in Fund Balances

For the Year Ended December 31, 2015

	<u>GENERAL FUND</u>
<b>REVENUES</b>	
State LGAP grant	\$20,000
Tax, franchise	6,090
Occupational licenses	7,907
Fees, charges and commissions	3,799
Use of money and property - interest earnings	5
Other revenue	<u>5,022</u>
Total revenues	<u>42,823</u>
<b>EXPENDITURES</b>	
General government - current:	
Personal services	2,789
Operating services	10,992
Materials and supplies	1,523
Capital outlay	22,443
Public safety	<u>2,675</u>
Total expenditures	<u>40,422</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	2,401
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>16,310</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u><u>\$18,711</u></u>

The accompanying notes are an integral part of this statement.

VILLAGE OF FOREST  
Forest, Louisiana

Reconciliation of Governmental Funds  
Statement of Revenue, Expenditures, and Changes  
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2015

Governmental  
Fund Type -  
General Fund

Total net change in fund balances - governmental funds (Statement D)	\$2,401
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	<u>13,766</u>
Change in net position of governmental activities (Statement B)	<u><u>\$16,167</u></u>

The accompanying notes are an integral part of this statement.

VILLAGE OF FOREST  
 FOREST, Louisiana  
 PROPRIETARY FUND TYPE -  
 WATER ENTERPRISE FUND

Statement of Revenues, Expenses,  
 and Changes in Retained Earnings  
 For the Year Ended December 31, 2015

<b>OPERATING REVENUES</b>	
Water sales	<u>\$201,186</u>
<b>OPERATING EXPENSES</b>	
Salaries	62,994
Payroll taxes	5,875
Administrative	12,101
Utilities and telephone	16,661
Repairs and maintenance	1,127
Insurance	14,539
Materials and supplies	24,566
Testing Expense	1,296
Depreciation	<u>57,582</u>
Total Operating Expenses	<u>196,741</u>
<b>OPERATING INCOME</b>	<u>4,445</u>
<b>NON-OPERATING REVENUES (Expenses)</b>	
Interest income	1,068
CDBG grant	250,000
DRA grant	107,717
Interest expense	<u>(38,187)</u>
Total Non-Operating Revenues (expenses)	<u>320,598</u>
<b>NET INCOME</b>	<u>325,043</u>
<b>OTHER FINANCING SOURCE (Use)</b>	
Adjustment for depreciation on capital assets acquired with federal grants	<u>5,495</u>
<b>TOTAL OTHER FINANCING SOURCE (USE)</b>	5,495
<b>TOTAL NET INCOME AND OTHER FINANCING SOURCE (Use)</b>	<u>330,538</u>
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<u>443,855</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<u><u>\$774,393</u></u>

The accompanying notes are an integral part of this statement.

VILLAGE OF FOREST  
FOREST, Louisiana  
PROPRIETARY FUND TYPE -  
WATER ENTERPRISE FUND

Statement of Cash Flows  
For the Year Ended December 31, 2015

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating Income (Loss)	<u>\$4,445</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	57,582
Increase in accounts receivable	(71,734)
Increase in accounts payable	75,699
Decrease in accrued interest payable	(42)
Increase in meter deposits	<u>505</u>
Total adjustments	<u>62,010</u>
Net cash provided by operating activities	<u>66,455</u>
<b>CASH FLOWS FROM CAPITAL AND  RELATED FINANCING ACTIVITIES</b>	
Decrease in bonds payable	(11,462)
Interest expense	(38,187)
Increase in grant revenue	357,717
Acquisition of assets	<u>(356,265)</u>
Total cash flows from capital and related financing activities	<u>(48,197)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest earnings	<u>1,068</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	19,326
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>223,101</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$242,427</u></u>

The accompanying notes are an integral part of this statement.

VILLAGE OF FOREST  
Forest, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended December 31, 2015

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Forest was incorporated under the provisions of the Lawrason Act in 1966. The village operates under a Mayor-Board of Aldermen form of government. The mayor and aldermen serve four-year terms which expire on December 31, 2016.

The accompanying financial statements of the Village of Forest have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis -for State and Local Governments*, issued in June 1999.

**A. REPORTING ENTITY**

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of Forest for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the village to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the village.

VILLAGE OF FOREST

Forest, Louisiana

Notes to the Financial Statements (Continued)

2. Organizations for which the village does not appoint a voting majority but are fiscally dependent on the village.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the village has determined that there are no component units that are part of the reporting entity.

**B. BASIC FINANCIAL STATEMENTS -  
GOVERNMENT-WIDE STATEMENTS**

The village's basic financial statements include both government-wide (reporting the village as a whole) and fund financial statements (reporting the village's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the village.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The village first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the village's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the village's general revenues.

## VILLAGE OF FOREST

Forest, Louisiana

Notes to the Financial Statements (Continued)

**Allocation of Indirect Expenses** - The village reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

### C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the village are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the village. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The village's current operations require the use of only governmental and proprietary funds. The governmental and proprietary fund types used by the village are described as follows:

#### **Governmental Fund Type**

**General Fund** - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the village and is used to account for the operations of the village's office. The various fees and charges due to the village's office are accounted for in this fund. General operating expenditures are paid from this fund.



VILLAGE OF FOREST

Forest, Louisiana

Notes to the Financial Statements (Continued)

**Proprietary Fund Type - Water Enterprise Fund**

The Water Enterprise Fund is used to account for the operations of the village's water system. The operations are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

**1. Accrual:**

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the proprietary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The village considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is

VILLAGE OF FOREST

Forest, Louisiana

Notes to the Financial Statements (Continued)

recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Franchise taxes and intergovernmental revenues are recorded when the village is entitled to the funds.

Interest income on bank deposits is recorded when the interest has been earned and the amount is determinable.

Substantially all other revenues are recorded when they are received by the village.

Based on the above criteria, franchise taxes have been treated as susceptible to accrual.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**Proprietary Fund Type - Water Enterprise Fund**

The Water Enterprise Fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

**E. CASH AND CASH EQUIVALENTS**

Under state law, the village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2015, the village has cash and cash equivalents (book balances) totaling \$259,818.

Demand deposits	\$161,385
Time deposits	98,433
Total	<u>\$259,818</u>

VILLAGE OF FOREST

Forest, Louisiana

Notes to the Financial Statements (Continued)

These deposits of \$260,149 are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance.

**F. CAPITAL ASSETS**

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 village maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the village, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

**G. ANNUAL AND SICK LEAVE**

The Village of Forest has not adopted vacation and sick leave policies; therefore, there is no liability for compensated absences.

**H. RISK MANAGEMENT**

The village is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the fire district maintains a commercial insurance policy covering property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2015.

VILLAGE OF FOREST  
 Forest, Louisiana  
 Notes to the Financial Statements (Continued)

**2. RECEIVABLES**

The following is a summary of receivables at December 31, 2015:

	General Fund	Water Enterprise Fund	Total
Taxes:			
Franchise	\$1,629		\$1,629
Water accounts		\$16,076	16,076
Accounts		67,658	67,658
Total	<u>\$1,629</u>	<u>\$83,734</u>	<u>\$85,363</u>

**3. CHANGES IN CAPITAL ASSETS**

The following presents changes in capital assets for the year ended December 31, 2015:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated -				
Land	\$27,500			\$27,500
Capital assets being depreciated:				
Buildings	169,768			169,768
Improvements other than buildings	13,001			13,001
Vehicles	NONE	\$22,443		22,443
Equipment	35,927		(\$15,000)	20,927
Total assets	<u>246,196</u>	<u>22,443</u>	<u>(15,000)</u>	<u>253,639</u>
Less accumulated depreciation	79,103	8,677	(15,000)	72,780
Net capital assets	<u>\$167,093</u>	<u>\$13,766</u>	<u>NONE</u>	<u>\$180,859</u>

A summary of proprietary fund type property, plant, and equipment at December 31, 2015, follows:

	Basis	Accumulated Depreciation	Net Book Value
Water system	\$2,197,060	(\$706,135)	\$1,490,925
Equipment	3,372	(3,372)	NONE
Total	<u>\$2,200,432</u>	<u>(\$709,507)</u>	<u>\$1,490,925</u>

VILLAGE OF FOREST

Forest, Louisiana

Notes to the Financial Statements (Continued)

**4. PENSION PLAN**

The employees of the village are members of the Social Security System. In addition to the employee contributions withheld at 7.65 per cent of gross salary, the village contributes an equal amount to the Social Security System. For the year ended December 31, 2015, total salaries paid for 2015 were \$65,994. The village does not guarantee the benefits granted by the Social Security System.

**5. REVENUE BONDS PAYABLE**

At December 31, 2015, the village has one outstanding issues of long-term revenue bonds. In 2008 the village had a preliminary bond issue for \$912,000. The village received \$755,000 of this issue at December 31, 2008 and the remaining \$157,000 at December, 31, 2009. The issue bears interest at 4.5 per cent per annum. Principal and interest are to be repaid in monthly payments of \$4,141 through July 10, 2048. All long-term debt is to be repaid solely from the income and revenues derived from the operation of the water system.

The following is a summary of revenue bonds payable transactions for the year ended December 31, 2015:

Revenue bonds payable at January 1, 2015	\$859,358
Additions	NONE
Reductions	<u>(11,463)</u>
Long-term debt at December 31, 2015	<u>\$847,895</u>

The annual requirements to amortize the revenue bonds outstanding at December 31, 2015 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$11,783	\$37,909	\$49,692
2017	12,324	37,368	49,692
2018	12,891	36,801	49,692
2019	13,483	36,209	49,692
2020	14,102	35,590	49,692
2021-2025	80,845	167,615	248,460
2026-2030	101,202	147,258	248,460
2031-2035	126,684	121,776	248,460
2036-2040	158,582	89,878	248,460
2041-2045	198,513	49,947	248,460
2046-2048	<u>117,486</u>	<u>6,950</u>	<u>124,436</u>
Total	<u>\$847,895</u>	<u>\$767,301</u>	<u>\$1,615,196</u>

VILLAGE OF FOREST

Forest, Louisiana

Notes to the Financial Statements (Continued)

**6. CONTRIBUTED CAPITAL**

In 1990, the village received a grant totaling \$219,800 from the United States Department of Agriculture, Farmers Home Administration to finance the construction of its water system. The grant amount, shown as contributed capital on the balance sheet, is reduced each year by the amount of depreciation expense recognized on fixed assets constructed or acquired with the grant funds. At December 31, 2015, accumulated depreciation on these assets is \$82,425.

**7. RESERVED RETAINED EARNINGS**

The bond covenant with the Farmers Home Administration for the 1990 revenue bond discussed in note 4 above, requires the village to establish the following reserve accounts:

- A. A "Water Revenue Bond and Interest Sinking Fund". The village must transfer into this fund, each month, one-twelfth of the principal and interest due on the next principal and interest payment date. This fund is used to pay bond principal and interest as they become due.
- B. A "Water Reserve Fund". The village must transfer into this fund, each month, an amount equal to 5 per cent of the amount to be paid into the Water Revenue Bond and Interest Sinking Fund. Such amounts may be used only for the payment of matured bonds and interest when sufficient funds are not available in the Water Revenue Bond and Interest Sinking Fund.
- C. A "Water Depreciation and Contingency Fund". The village must transfer into this fund, each month, an amount equal to 5 per cent of the amount to be paid into the Water Revenue Bond and Interest Sinking Fund. The deposits in this fund may be used for unusual or extraordinary maintenance, repairs, replacements, and extensions and for the cost of improvements to the system. Money in this fund may also be used to pay principal and interest on bonds falling due at any time there is not sufficient funds in the other reserve funds.

At December 31, 2015 the village has \$20,751 in restricted accounts to meet reserve requirements. The following is a summary of transactions in the bond reserve accounts for the year ended December 31, 2015:

Reserve for revenue bonds payable at January 1, 2015	\$20,309
Deposits	9,288
Debt service	<u>(8,846)</u>
Reserve for bonds payable at December 31, 2015	<u>\$20,751</u>

VILLAGE OF FOREST

Forest, Louisiana

Notes to the Financial Statements (Continued)

**8. LITIGATION AND CLAIMS**

The Village of Forest is not involved in any litigation at December 31, 2015, nor is it aware of any unasserted claims.

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**



VILLAGE OF FOREST  
Forest, Louisiana

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>				
State LGAP grant	\$5,000	\$20,000	\$20,000	
Tax, franchise	7,300	6,000	6,090	\$90
Occupational licenses	6,500	8,000	7,907	(93)
Fees, charges and commissions	6,500	2,885	3,799	914
Use of money and property - interest earnings		1	5	4
Other revenues	5,000	4,484	5,022	538
Total revenues	<u>30,300</u>	<u>41,370</u>	<u>42,823</u>	<u>1,453</u>
<b>EXPENDITURES</b>				
General government - current:				
Personal services	2,500	2,584	2,789	(205)
Operating services	15,300	9,481	10,992	(1,511)
Materials and supplies	8,700	5,325	1,523	3,802
Capital outlay		20,000	22,443	(2,443)
Public safety	3,800	3,633	2,675	958
Total expenditures	<u>30,300</u>	<u>41,023</u>	<u>40,422</u>	<u>601</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	NONE	347	2,401	2,054
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>NONE</u>	<u>NONE</u>	<u>16,310</u>	<u>16,310</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>NONE</u>	<u>\$347</u>	<u>\$18,711</u>	<u>\$18,364</u>

See accompanying note to budgetary comparison schedule.

VILLAGE OF FOREST  
Forest, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE  
For the Year Ended December 31, 2015

A preliminary budget for the ensuing year is prepared for the General Fund by the mayor prior to December 31 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is established and controlled by the board of aldermen at the functional level of expenditure. Encumbrance accounting is not used by the village. Appropriations lapse at year end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of aldermen.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

VILLAGE OF FOREST  
Forest, LouisianaSchedule of Water Rates  
For the Year Ended December 31, 2015

<u>Classification</u>	<u>Tariff</u>	<u>Rate</u>
Residential	Monthly minimum for first 2,000 gallons	\$15.00
	Per 1,000 gallons for all over 2,000 gallons	3.50
Commercial	Monthly minimum for first 10,000 gallons	33.00
	Per 1,000 gallons for all over 10,000 gallons	3.50

VILLAGE OF FOREST  
Forest, Louisiana

Schedule of Insurance Coverage  
As of December 31, 2015

Type of Coverage	Name of Insurer	Policy Number	Amount of Coverage	Expiration Date
Commercial General Liability	Travelers	ZLP-81M31062-15-PB	Aggregate - \$2,000,000 Each Occurrence - \$1,000,000 Medical Payments -excluded	5/21/16
Worker's Compensation and Employers Liability	Louisiana Municipal Risk Management Agency	WC-0164	Statutory	1/1/16
Law Enforcement Liability	Travelers	ZLP-81M31062-15-PB	\$1,000,000	5/21/16
Standard Fire - Building	Travelers	660-6F07377A-TIL-15	\$448,100	5/18/16
Standard Fire - Business Personal Property	Travelers	660-6F07377A-TIL-15	\$524,510	5/18/16
Standard Fire - Electronic Data Processing	Travelers	660-6F07377A-TIL-15	\$50,000	5/18/16
Government Crime	Travelers	660-6F07377A-TIL-15	\$100,000	5/18/16
Commercial Automobile Coverage	Travelers	BA-4F267727-15-PUB	Actual Cash Value	5/15/16

VILLAGE OF FOREST  
Forest, Louisiana  
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Proposed Operating Budget  
For the Year Ending December 31, 2016  
(Unaudited)

**REVENUES**

Water	\$214,000
Other	20,000
Interest income	3,000
Total revenues	<u>237,000</u>

**EXPENSES**

Insurance	13,800
Interest expense	6,000
Depreciation expense	15,000
Permits	400
Payroll taxes	13,700
Office	1,700
Repairs and maintenance	3,200
Salaries	71,000
Supplies	14,000
Administrative expense	15,000
Testing expense	5,300
FmHA	50,000
Postage	2,200
Utilities and telephone	25,700
Total expenses	<u>237,000</u>

**NET INCOME**NONE

**OTHER SUPPLEMENTARY INFORMATION**

**PART III**

VILLAGE OF FOREST  
Forest, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULE  
As of and For the Year Ended December 31, 2015

**COMPENSATION PAID ALDERMEN**

The schedule of compensation paid aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 33:405, aldermen receive up to \$30 for each regular meeting and \$15 for each special meeting they attend. Compensation of aldermen is included in personal services and related benefits expenditures of the General Fund.

VILLAGE OF FOREST  
Forest, LouisianaSchedule of Compensation Paid Aldermen  
For the Year Ended December 31, 2015

Larry Denmon, Mayor	\$1,500
Polly McKaskle	238
Buddy Dukes	88
Jone Whorton	<u>213</u>
Total	<u><u>\$2,039</u></u>



VILLAGE OF FOREST  
Forest, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended December 31, 2015

LARRY DENMON, MAYOR

PURPOSE	AMOUNT
Meeting reimbursements	<u>\$1,500</u>

**Independent Auditor's Report Required  
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Independent Auditors Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance *Government Auditing Standards***

VILLAGE OF FOREST

Forest, Louisiana

I 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 Village of Forest as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the Village of Forest's basic financial statements, and have issued my report thereon dated February 15, 2016.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Village of Forest's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Forest's internal control. Accordingly, I do not express an opinion on the effectiveness of the Village of Forest's internal control.

*A deficiency in internal control* exist 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 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.

VILLAGE OF FOREST

Forest, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

December 31, 2015


My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Village of Forest's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Forest'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 Village of Forest's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



West Monroe, Louisiana

February 15, 2016

VILLAGE OF FOREST  
Forest, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2015

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Village of Forest.
2. No instances of noncompliance material to the financial statements of the Village of Forest was disclosed during the audit.
3. No significant deficiency relating to the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

VILLAGE OF FOREST  
Forest, Louisiana

Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2015

There were no findings reported in the audit report for the year ended December 31, 2014.