

VILLAGE OF RIDGECREST, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021
AND FOR THE YEAR THEN ENDED

WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS



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INDEPENDENT AUDITOR'S REPORT

Mayor and Members of the Board of Aldermen
Village of Ridgcrest, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Ridgcrest, Louisiana (the Village), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Village of Ridgcrest, Louisiana, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information, on pages 4-8 and 27-29, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Ridgcrest's basic financial statements. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head, Political Subdivision Head or Chief Executive Officer presented on page 30 and the Justice System Funding Schedule for Collecting / Disbursing Entity presented on page 31, while listed in the Table of Contents as Supplementary Information, are presented for the purposes of additional analysis and are not required parts of the basic financial statements, but are required by Act 462 of 2016 which amends Act 706 of the Louisiana 2014 Legislative Session and by Act 87 of the Louisiana 2020 Legislative Session. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments and the Justice System Funding Schedule for Collecting/Disbursing Entities are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2022, on our consideration of the Village's internal control over financial reporting and 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 the 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's internal control over financial reporting and compliance.



Natchez, Mississippi
October 28, 2022

SECTION I
REQUIRED SUPPLEMENTARY INFORMATION
(PART I)

**VILLAGE OF RIDGECREST, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

The management of Village of Ridgcrest, Louisiana (the Village) offers readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal years ended December 31, 2021 and 2020. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the report.

FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities by \$1,374,966 and \$1,127,266 in 2021 and 2020, respectively.
- Net position increased by \$247,700 and decreased by \$30,600 in 2021 and 2020, respectively.
- The Village had net capital assets of \$999,505 and \$736,891 in 2021 and 2020, respectively.
- The Village had payroll of \$69,870 and \$86,638 in 2021 and 2020, respectively.

OVERVIEW OF 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 comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all of the Village'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 is improving or deteriorating.

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year.

The government-wide financial statements outline functions of the Village that are principally supported by property taxes and intergovernmental revenues (governmental activities). Fixed assets and related debt are also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 9 through 10 of this report.

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 basic governmental fund financial statements can be found on pages 11 through 17 of this report.

VILLAGE OF RIDGECREST, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

OVERVIEW OF FINANCIAL STATEMENTS (continued)

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. The notes to the financial statements can be found on pages 18 through 26 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a condensed statement of the Village's net position:

	Governmental Activities	Business-Type Activities	Totals	
			2021	2020
Current assets	\$ 44,432	\$ 176,911	\$ 221,343	\$ 107,695
Noncurrent assets	649,307	553,276	1,202,583	1,064,542
Total assets	<u>\$ 693,739</u>	<u>\$ 730,187</u>	<u>\$ 1,423,926</u>	<u>\$ 1,172,237</u>
Current liabilities	\$ 1,837	\$ 6,847	\$ 8,684	\$ 8,176
Long-term liabilities	-	40,276	40,276	36,795
Total liabilities	<u>\$ 1,837</u>	<u>\$ 47,123</u>	<u>\$ 48,960</u>	<u>\$ 44,971</u>
Net position:				
Invested in capital assets	\$ 482,671	\$ 516,834	\$ 999,505	\$ 736,891
Restricted for streets and drainage	166,636	-	166,636	293,889
Restricted for meter deposits	-	40,276	40,276	36,795
Unassigned	42,595	125,954	168,549	59,691
Total net position	<u>\$ 691,902</u>	<u>\$ 683,064</u>	<u>\$ 1,374,966</u>	<u>\$ 1,127,266</u>

The following is a comparative summary of the statement of activities:

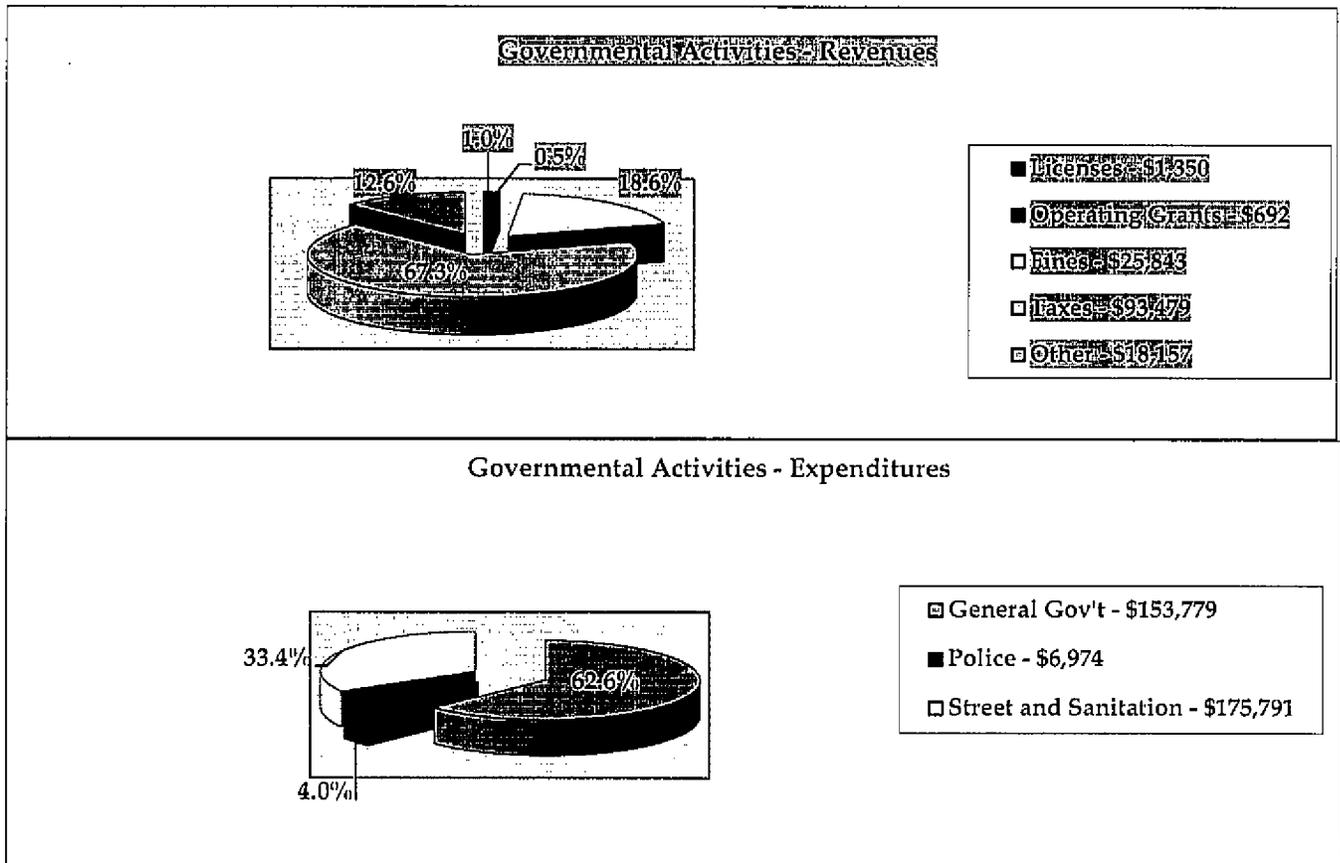
	Governmental Activities	Business-Type Activities	Totals	
			2021	2020
Revenues:				
Program revenues	\$ 27,193	\$ 213,942	\$ 241,135	\$ 248,182
Operating grants	-	426,178	426,178	-
Taxes and other	111,636	-	111,636	86,810
Total revenues	<u>\$ 138,829</u>	<u>\$ 640,120</u>	<u>\$ 778,949</u>	<u>\$ 334,992</u>
Expenses:				
General and administrative	\$ 152,053	\$ -	\$ 152,053	\$ 116,299
Public safety	7,524	-	7,524	7,450
Street and sanitation	201,848	-	201,848	61,968
Utility operations	-	169,824	169,824	179,876
Total expenditures	<u>\$ 361,425</u>	<u>\$ 169,824</u>	<u>\$ 531,249</u>	<u>\$ 365,593</u>
Net transfers in (out)	<u>\$ 82,794</u>	<u>\$ (82,794)</u>	<u>\$ -</u>	<u>\$ -</u>

**VILLAGE OF RIDGECREST, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

	Governmental Activities	Business-Type Activities	Totals	
			2021	2020
Decrease in net position	\$ (139,802)	\$ 387,502	\$ 247,700	\$ (30,601)
Net position - January 1	\$ 831,704	\$ 295,562	\$ 1,127,266	\$ 1,157,866
Net position - December 31	\$ 691,902	\$ 683,064	\$ 1,374,966	\$ 1,127,265

The following are graphical representations of information presented in the statement of activities for governmental activities for the year 2021:



The notes to the financial statements have additional information presented that is essential to a full understanding of the data provided in the government-wide financial statements.

Business-Type Activities

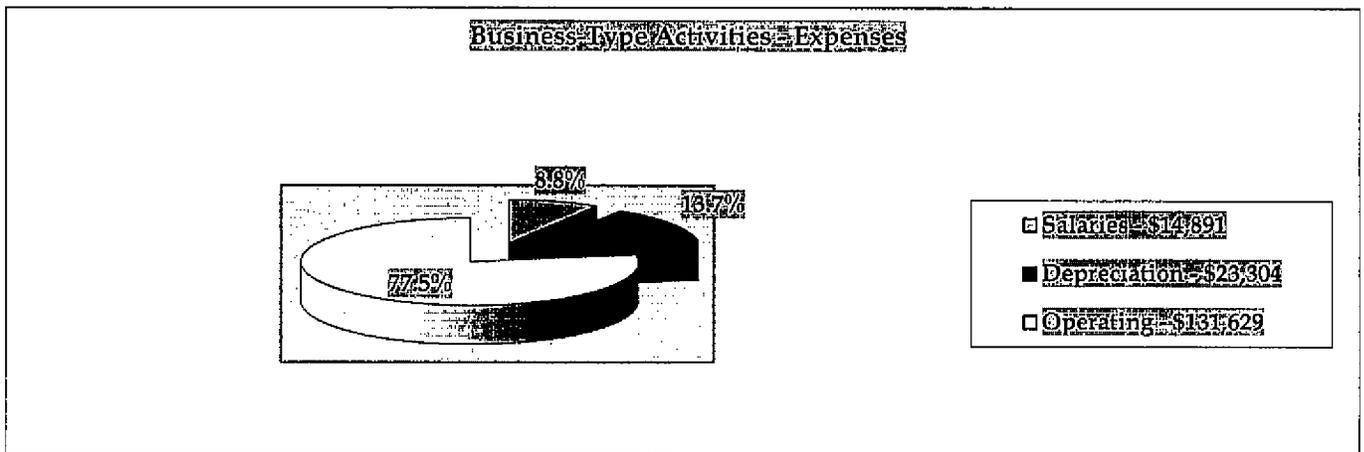
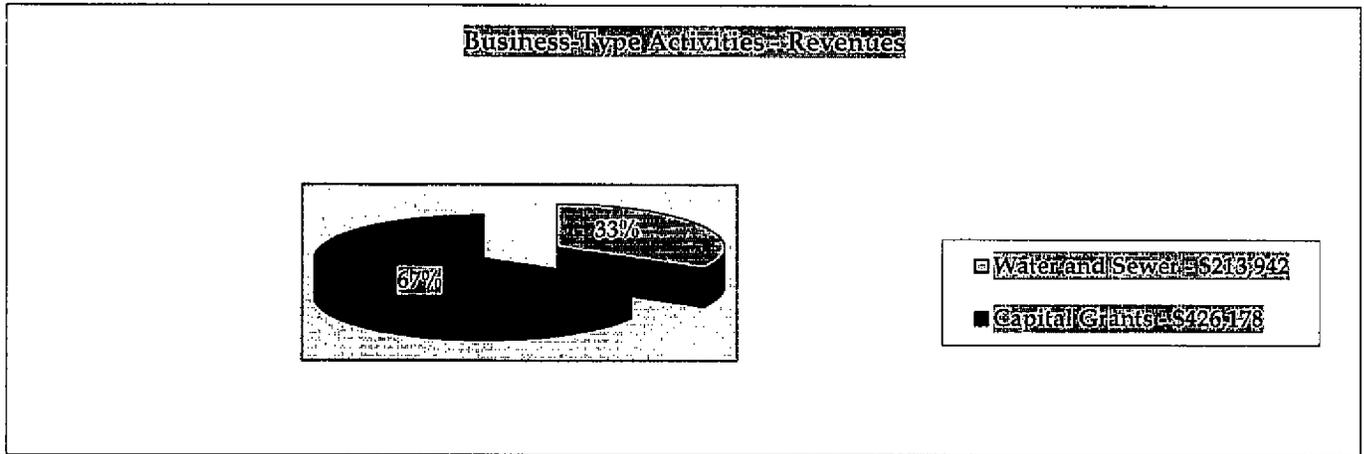
The business-type activities of the Village are those that charge a fee to customers for the services provided. The Village has two business-type activities (water and sewer) which are accounted for in the enterprise fund.

VILLAGE OF RIDGECREST, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Business-Type Activities (continued)

The following are graphical representations of information in the statement of activities for business-type activities:



The notes to the financial statements have additional information presented that is essential to a full understanding of the data provided in the government-wide financial statements.

**VILLAGE OF RIDGECREST, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Comments on General Fund Budget Comparisons

The Village's general fund budget was amended once during the last year. The budgeted expenditures were \$252,954, and the budgeted revenues were \$118,043.

Actual revenues were under budgeted amounts by \$10,974. Actual expenditures were under budgeted amounts by 67,704.

Comments on Public Works Fund Budget Comparisons

The Village's public works fund budget was amended once during the last year. The budgeted expenditures were \$150,248, and the budgeted revenues were \$25,000.

Actual revenues were over budgeted amounts by \$510. Actual expenditures were over budgeted amounts by \$375.

CAPITAL ASSETS

As of December 31, 2021, the Village had capital assets of \$482,671 in the governmental activities and \$516,834 in the business-type activities.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. Any questions about this report or request for additional information may be directed to Veller Ray Carroll, Mayor, 116 Foster Drive, Ridgecrest, Louisiana 71334.

SECTION II
BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF RIDGECREST, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	\$ 37,590	\$ 135,403	\$ 172,993
Receivables, net	<u>6,842</u>	<u>41,508</u>	<u>48,350</u>
Total current assets	<u>\$ 44,432</u>	<u>\$ 176,911</u>	<u>\$ 221,343</u>
Noncurrent assets			
Restricted			
Cash and cash equivalents	\$ 166,636	\$ 36,442	\$ 203,078
Capital assets	<u>482,671</u>	<u>516,834</u>	<u>999,505</u>
Total noncurrent assets	<u>\$ 649,307</u>	<u>\$ 553,276</u>	<u>\$ 1,202,583</u>
Total assets	<u>\$ 693,739</u>	<u>\$ 730,187</u>	<u>\$ 1,423,926</u>
<u>LIABILITIES</u>			
Current liabilities			
Accounts and other payables	<u>\$ 1,837</u>	<u>\$ 6,847</u>	<u>\$ 8,684</u>
Total current liabilities	<u>\$ 1,837</u>	<u>\$ 6,847</u>	<u>\$ 8,684</u>
Noncurrent liabilities			
Customer deposits	<u>\$ -</u>	<u>\$ 40,276</u>	<u>\$ 40,276</u>
Total liabilities	<u>\$ 1,837</u>	<u>\$ 47,123</u>	<u>\$ 48,960</u>
<u>NET POSITION</u>			
Invested in capital assets	\$ 482,671	\$ 516,834	\$ 999,505
Restricted for streets and drainage	166,636	-	166,636
Restricted for meter deposits	-	40,276	40,276
Unassigned	<u>42,595</u>	<u>125,954</u>	<u>168,549</u>
Total net position	<u>\$ 691,902</u>	<u>\$ 683,064</u>	<u>\$ 1,374,966</u>

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

**VILLAGE OF RIDGECREST, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>		<u>Total</u>
		<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<u>GOVERNMENTAL ACTIVITIES</u>						
General government	\$ 152,053	\$ 1,350	\$ -	\$ (150,703)	\$ -	\$ (150,703)
Public safety:						
Police	7,524	25,843	-	18,319	-	18,319
Sanitation	25,168	-	-	(25,168)	-	(25,168)
Road maintenance	176,680	-	-	(176,680)	-	(176,680)
Total governmental activities	<u>\$ 361,425</u>	<u>\$ 27,193</u>	<u>\$ -</u>	<u>\$ (334,232)</u>	<u>\$ -</u>	<u>\$ (334,232)</u>
<u>BUSINESS-TYPE ACTIVITIES</u>						
Water and sewer	\$ 169,824	\$ 213,942	\$ 426,178	\$ -	\$ 470,296	\$ 470,296
 Total	<u>\$ 531,249</u>	<u>\$ 241,135</u>	<u>\$ 426,178</u>	<u>\$ (334,232)</u>	<u>\$ 470,296</u>	<u>\$ 136,064</u>
 General Revenues:						
Taxes						
Property				\$ 10,019	\$ -	\$ 10,019
Sales				70,288	-	70,288
Beer				550	-	550
Franchise				13,314	-	13,314
Cost				-	-	-
Miscellaneous				17,465	-	17,465
Transfers				82,794	(82,794)	-
Total general revenues and transfers				<u>\$ 194,430</u>	<u>\$ (82,794)</u>	<u>\$ 111,636</u>
Change in net position				<u>\$ (139,802)</u>	<u>\$ 387,502</u>	<u>\$ 247,700</u>
Net position - January 1, 2021				<u>\$ 831,704</u>	<u>\$ 295,562</u>	<u>\$ 1,127,266</u>
Net position - December 31, 2021				<u>\$ 691,902</u>	<u>\$ 683,064</u>	<u>\$ 1,374,966</u>

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

SECTION III
FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

VILLAGE OF RIDGECREST, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	<u>Major Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Public Works Fund</u>	
<u>ASSETS</u>			
Cash	\$ 37,590	\$ -	\$ 37,590
Cash - restricted	-	166,636	166,636
Receivables:			
Ad valorem tax	3,534	-	3,534
Due from government	3,308	-	3,308
Total assets	<u>\$ 44,432</u>	<u>\$ 166,636</u>	<u>\$ 211,068</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts and other payables	\$ 1,837	\$ -	\$ 1,837
Total liabilities	<u>\$ 1,837</u>	<u>\$ -</u>	<u>\$ 1,837</u>
Fund balances:			
Restricted for streets and drainage	\$ -	\$ 166,636	\$ 166,636
Unassigned	42,595	-	42,595
Total fund balances	<u>\$ 42,595</u>	<u>\$ 166,636</u>	<u>\$ 209,231</u>
Total liabilities and fund balances	<u>\$ 44,432</u>	<u>\$ 166,636</u>	<u>\$ 211,068</u>

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

VILLAGE OF RIDGECREST, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2021

Total Fund Balances for Governmental Funds (Statement C)	\$	209,231
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land		1,700
Buildings, net of \$55,027 accumulated depreciation		7,975
Equipment, net of \$452,205 accumulated depreciation		11,582
Infrastructure, net of \$382,799 accumulated depreciation		<u>461,414</u>
Total Net Position of Governmental Activities (Statement A)	\$	<u><u>691,902</u></u>

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

VILLAGE OF RIDGECREST, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Major Funds		Total
	General Fund	Public Works Fund	
<u>REVENUES</u>			
Taxes	\$ 67,969	\$ 25,510	\$ 93,479
Licenses and permits	1,350	-	1,350
Intergovernmental:			
State funds	692	-	692
Fines and forfeitures	25,843	-	25,843
Other	17,465	-	17,465
Total revenues	\$ 113,319	\$ 25,510	\$ 138,829
<u>EXPENDITURES</u>			
Current:			
General government	\$ 148,828	\$ -	\$ 148,828
Public safety:			
Police	6,974	-	6,974
Sanitation	25,168	-	25,168
Road maintenance	4,951	150,623	155,574
Capital outlay	-	-	-
Total expenditures	\$ 185,921	\$ 150,623	\$ 336,544
Excess (deficiency) of revenues over expenditures	\$ (72,602)	\$ (125,113)	\$ (197,715)
<u>OTHER FINANCING SOURCES</u>			
Transfers in	\$ 84,934	\$ (2,140)	\$ 82,794
Total other financing sources	\$ 84,934	\$ (2,140)	\$ 82,794
Net change in fund balance	\$ 12,332	\$ (127,253)	\$ (114,921)
Fund balances, beginning of year	\$ 30,263	\$ 293,889	\$ 324,152
Fund balances, end of year	\$ 42,595	\$ 166,636	\$ 209,231

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

VILLAGE OF RIDGECREST, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Net Change in Fund Balances, Total Governmental Funds (Statement E) \$ (114,921)

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 by which depreciation exceeded capital outlays in the current period:

Capital outlays	-
Depreciation expense	<u>(24,881)</u>

Total change in net position per Statement of Activities (Statement B) \$ (139,802)

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

PROPRIETARY FUNDS

VILLAGE OF RIDGECREST, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	<u>Utility Fund</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 135,403
Accounts receivable, net of allowance	<u>41,508</u>
Total current assets	\$ <u>176,911</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	\$ 36,442
Capital assets, net of accumulated depreciation	<u>516,834</u>
Total noncurrent assets	\$ <u>553,276</u>
Total assets	\$ <u>730,187</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts and other payables	\$ 6,847
Noncurrent liabilities:	
Customers' deposits	<u>40,276</u>
Total liabilities	\$ <u>47,123</u>
<u>NET POSITION</u>	
Invested in capital assets, net of related debt	\$ 516,834
Restricted for meter deposits	40,276
Unassigned	<u>125,954</u>
Total net position	\$ <u><u>683,064</u></u>

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

VILLAGE OF RIDGECREST, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>OPERATING REVENUES</u>	<u>Utility Fund</u>
Charges for services	\$ 213,942
Capital grants	<u>426,178</u>
Total operating income	<u>\$ 640,120</u>
<u>OPERATING EXPENSES</u>	
Salaries	\$ 14,891
Operating expenses	131,629
Depreciation	<u>23,304</u>
Total operating expenses	<u>\$ 169,824</u>
Operating income	<u>\$ 470,296</u>
Other Financing Sources (Uses)	
Transfers out	<u>\$ (82,794)</u>
Change in net position	\$ (387,502)
Net position, beginning of year	<u>295,562</u>
Net position, end of year	<u>\$ 683,064</u>

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

VILLAGE OF RIDGECREST, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Cash Flows from Operating Activities	
Cash received from customers	\$ 205,812
Cash payments to suppliers for goods and services	(131,792)
Cash payments to employees for services	(14,890)
Other receipts	426,178
Net cash provided by operating activities	<u>\$ 485,308</u>
Cash Flows from Noncapital Financing Activities	
Operating transfers to other funds	\$ (82,794)
Increase in consumer deposits	3,481
Net cash used for noncapital financing activities	<u>\$ (79,313)</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of fixed assets	<u>\$ (310,799)</u>
Net cash used for capital and related financing activities	<u>\$ (310,799)</u>
Net increase in cash and cash equivalents	\$ 95,196
Cash and cash equivalents, beginning of year	<u>76,649</u>
Cash and cash equivalents, end of year	<u>\$ 171,845</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ 470,296
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	23,304
Change in assets and liabilities:	
Increase in accounts receivable	(8,130)
Decrease in accounts payable	<u>(162)</u>
Net cash provided by operating activities	<u>\$ 485,308</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

INTRODUCTION

1. Village of Ridgcrest, Louisiana (the Village) is a municipal corporation governed by an elected mayor.
2. The Village was incorporated under the provisions of the Lawrason Act as a village in 1962.
3. The purpose of the municipality is to provide utility services, public safety (police and fire), streets, sanitation, and general administrative services.
4. The Board of Aldermen consists of five elected members.
5. The Village is located in the northeast portion of Concordia Parish, Louisiana. Concordia Parish is located in east central Louisiana.
6. The population of Ridgcrest, Louisiana is approximately 642 persons.
7. The Village has one full-time employee.
8. The Village has approximately 255 utility customers.

GASB Statement 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the municipality is considered a primary government since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

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

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

**VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide and Fund Financial Statements (continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village 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.

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

The Village reports the following major governmental funds:

General Fund – This fund is the Village’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Public Works Fund – This fund is a major fund that provides sales tax funds for construction and maintaining roads and streets in the Village.

The Village reports the following major proprietary fund:

Utility Fund – This fund accounts for all financial resources used in the water and sewer enterprises operated by the Village.

VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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

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. Operating expenses for enterprise funds and internal service 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.

Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Village's investment policy allow the Village to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance account is recorded when information is available indicating the uncollectibility of the particular receivable.

**VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables and Payables (continued)

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Taxes due for:		
General alimony	5.59	5.59

The General Fund also accounts for an additional 1.5% tax passed in 2005, with collections beginning in 2006, with the proceeds to be used for repayment of construction and maintenance of roads and streets in the Village.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in, first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Restricted assets consist of cash deposited by utility customers as meter deposits and cash deposited by the Village for street maintenance.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost. The Village maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

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>
Streets and parking areas	40 years
Buildings	40 years
Equipment	5-15 years

VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

The Village has implemented GASB Statement 16, *Accounting for Compensated Absences*. Under GASB Statement 16, a liability for unpaid vacation that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to benefits.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. At December 31, 2021, there was no liability for compensated absences recorded.

Fund Equity

Beginning with fiscal year 2011, the Village 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:

- *Nonspendable Fund Balance* – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- *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;
- *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;
- *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;
- *Unassigned Fund Balance* – amounts that are available for any purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The Board of Aldermen establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Aldermen through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

In the General Fund, the Village strives to maintain an unassigned fund balance to be used for unanticipated emergencies.

VILLAGE OF RIDGECREST, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget Information - The Village uses the following budget practices:

1. The Village prepares a proposed budget and submits it to the Mayor and Board of Aldermen no later than 15 days prior to the beginning of each fiscal year. The Village approves a budget for the general and public works funds.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least 10 days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer to funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets are adopted on a cash basis.

NOTE 3 - CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents (book balances) at December 31, 2021:

Demand deposits	\$ <u>376,071</u>
-----------------	-------------------

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

**VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 3 - CASH AND CASH EQUIVALENTS (continued)

At December 31, 2021, the primary government has \$341,177 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Proprietary Fund's Statement of Net Position that sum to the total of the same such amounts shown in the Statement of Cash Flows.

Cash and cash equivalents	\$	135,403
Restricted cash		<u>36,442</u>
Total cash, cash equivalents, and restricted cash shown in the Statement of Cash Flows	<u>\$</u>	<u>171,845</u>

Amounts shown in restricted cash represent those required to be set aside for utility customer deposits.

NOTE 4 - RECEIVABLES

The following is a summary of current receivables for December 31, 2021:

	Governmental Activities	Business- Type Activities	Total
Ad valorem taxes	\$ 6,842	\$ -	\$ 6,842
Utilities	-	41,508	41,508
Total	<u>\$ 6,842</u>	<u>\$ 41,508</u>	<u>\$ 48,350</u>

NOTE 5 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2021, is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,700	-	-	\$ 1,700
Total capital assets not being depreciated	<u>\$ 1,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,700</u>
Capital assets being depreciated:				
Buildings	\$ 63,002	-	-	\$ 63,002
Equipment	463,787	-	-	463,787
Streets	844,213	-	-	844,213
Total capital assets being depreciated	<u>\$ 1,371,002</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,371,002</u>
Less accumulated depreciation for:				
Buildings	\$ (54,302)	\$ (725)	\$ -	\$ (55,027)
Equipment	(449,155)	(3,050)	-	(452,205)
Streets	(361,693)	(21,106)	-	(382,799)
Total accumulated depreciation	<u>\$ (865,150)</u>	<u>\$ (24,881)</u>	<u>\$ -</u>	<u>\$ (890,031)</u>
Total capital assets being depreciated, net	<u>\$ 505,852</u>	<u>\$ (24,881)</u>	<u>\$ -</u>	<u>\$ 480,971</u>
Governmental activities capital assets	<u>\$ 507,552</u>	<u>\$ (24,881)</u>	<u>\$ -</u>	<u>\$ 482,671</u>

VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 5 - CAPITAL ASSETS (continued)

Depreciation expense of \$24,881 for 2021 was charged as follows:

General government	\$ 3,225
Police	550
Streets	<u>21,106</u>
Total depreciation	<u>\$ 24,881</u>

Business-Type Activities:	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Reclassification</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
Construction in progress	<u>-</u>	<u>310,799</u>	<u>-</u>	<u>-</u>	<u>310,799</u>
Total capital assets, not being depreciated	<u>\$ 15,000</u>	<u>\$ 310,799</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,799</u>
Capital assets being depreciated:					
Distribution systems	\$ 1,264,039	\$ -	\$ -	\$ -	\$ 1,264,039
Equipment	<u>43,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,587</u>
Total capital assets being depreciated	<u>\$ 1,307,626</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,307,626</u>
Less accumulated depreciation for:					
Distribution systems	\$ (1,053,515)	\$ (21,948)	\$ -	\$ -	\$ (1,075,463)
Equipment	<u>(39,772)</u>	<u>(1,356)</u>	<u>-</u>	<u>-</u>	<u>(41,128)</u>
Total accumulated depreciation	<u>\$ (1,093,287)</u>	<u>\$ (23,304)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,116,591)</u>
Total capital assets being depreciated, net	<u>\$ 214,339</u>	<u>\$ (23,304)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,035</u>
Business-type activities net assets	<u>\$ 229,339</u>	<u>\$ 287,495</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 516,834</u>

**VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 6 - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in December and payable by June 15 of the following year. The Concordia Parish Assessor prepares a list of property taxes due the Village, but the Village is responsible for billings and collections. The Village's total millage is 5.59 mills and is dedicated to the general fund.

NOTE 7 - RESTRICTED NET POSITION

Governmental Activities	
Streets and drainage	<u>\$ 166,636</u>
Business-Type Activities	
Customer meter deposits	<u>\$ 40,276</u>

NOTE 8 - ACCOUNTS AND OTHER PAYABLES

Accounts and other payables at December 31, 2021, are as follows:

	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Accounts	\$ -	\$ 6,847	\$ 6,847
Payroll taxes	1,837	-	1,837
Total	<u>\$ 1,837</u>	<u>\$ 6,847</u>	<u>\$ 8,684</u>

NOTE 9 - RETIREMENT COMMITMENTS

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

NOTE 10 - RISK MANAGEMENT

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

SECTION IV
REQUIRED SUPPLEMENTARY INFORMATION
(PART II)

VILLAGE OF RIDGECREST, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Taxes	\$ 61,080	\$ 61,110	\$ 61,661	\$ 3,551
Licenses and permits	1,200	1,350	1,350	-
Intergovernmental	14,558	700	692	(8)
Fines	3,000	25,000	25,843	843
Miscellaneous	<u>19,636</u>	<u>22,328</u>	<u>13,931</u>	<u>(8,397)</u>
Total revenues	<u>\$ 99,474</u>	<u>\$ 110,488</u>	<u>\$ 106,477</u>	<u>\$ (4,011)</u>
Expenditures				
General government	\$ 201,206	\$ 215,454	\$ 146,991	\$ 68,463
Public safety:				
Police	-	-	6,974	(6,974)
Sanitation	40,572	37,500	25,168	12,332
Capital outlay	<u>4,951</u>	<u>-</u>	<u>4,951</u>	<u>(4,951)</u>
Total expenditures	<u>\$ 246,729</u>	<u>\$ 252,954</u>	<u>\$ 184,084</u>	<u>\$ 68,870</u>
Excess (Deficiency) of revenues over expenditures	<u>\$ (147,255)</u>	<u>\$ (142,466)</u>	<u>\$ (77,607)</u>	<u>\$ 64,859</u>
Other financing sources (uses):				
Operating transfers in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,934</u>	<u>\$ 84,934</u>
Total other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,934</u>	<u>\$ 84,934</u>
Net changes in fund balances	\$ (147,255)	\$ (142,466)	\$ 7,327	\$ 149,793
Fund balance, beginning	<u>30,846</u>	<u>30,846</u>	<u>30,846</u>	<u>-</u>
Fund balance, ending	<u>\$ (116,409)</u>	<u>\$ (111,620)</u>	<u>\$ 38,173</u>	<u>\$ 149,793</u>

See Independent Accountant's Review Report.

VILLAGE OF RIDGECREST, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE - PUBLIC WORKS FUND
 YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and other	\$ 25,000	\$ 25,000	\$ 25,510	\$ 510
Total revenues	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 25,510</u>	<u>\$ 510</u>
Expenditures				
Road maintenance	\$ 150,248	\$ 150,248	\$ 150,623	\$ (375)
Total expenditures	<u>\$ 150,248</u>	<u>\$ 150,248</u>	<u>\$ 150,623</u>	<u>\$ (375)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (125,248)</u>	<u>\$ (125,248)</u>	<u>\$ (125,113)</u>	<u>\$ 135</u>
Other financing sources:				
Operating transfers (out) in	\$ -	\$ -	\$ (2,140)	\$ (2,140)
Total other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,140)</u>	<u>\$ (2,140)</u>
Net changes in fund balances	\$ (125,248)	\$ (125,248)	\$ (127,253)	\$ (2,005)
Fund balance, beginning	293,889	293,889	293,889	-
Fund balance, ending	<u>\$ 168,641</u>	<u>\$ 168,641</u>	<u>\$ 166,636</u>	<u>\$ (2,005)</u>

See Independent Accountant's Review Report.

VILLAGE OF RIDGECREST, LOUISIANA
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2021

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, and variances between the final budget and the actual data.

2. Budget Amendments and Revisions

The budget is adopted by the Board of Aldermen. Amendments can be made on the approval of the Board of Aldermen. A budgetary comparison is presented for the general fund consistent with accounting principles generally accepted in the United States of America. There were no nonmajor funds.

3. Budget/GAAP Basis Reconciliation

The differences between the budgetary basis and the GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles net change in fund balances on the budgetary basis schedules to the GAAP basis financial statements:

	General Fund	Public Works Fund
Net changes in fund balance - budget basis	\$ 7,327	\$ 127,253
Increase (decrease):		
Net adjustments for revenue accruals	5,005	-
Net change in fund balance - GAAP basis	<u>\$ 12,332</u>	<u>\$ 127,253</u>

See Independent Accountant's Review Report.

SECTION V
OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF RIDGECREST, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
YEAR ENDED DECEMBER 31, 2021

Agency Head Name: Veller Ray Carroll, Mayor

Salary	\$	7,200
Reimbursements		<u>-</u>
Total	\$	<u>7,200</u>

See Independent Accountant's Review Report.

VILLAGE OF RIDGECREST, LOUISIANA
 JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
 AS REQUIRED BY ACT 87 OF 2020 REGULAR LEGISLATIVE SESSION
 YEAR ENDED DECEMBER 31, 2021

	First Six Month Period Ended <u>June 30, 2022</u>	Second Six Month Period Ended <u>December 31, 2021</u>
Beginning Balance of Accounts Collected	\$ <u> -</u>	\$ <u> -</u>
Add: Collections - Criminal Fines-Other	\$ <u> 18,951</u>	\$ <u> 6,893</u>
Less: Amounts Retained by Collecting Agency Village of Ridgcrest - Criminal Fines-Other	\$ <u> (18,951)</u>	\$ <u> (6,893)</u>
Total Disbursements/Retainage	\$ <u> (18,951)</u>	\$ <u> (6,893)</u>
Ending Balance of Amounts Collected	\$ <u> -</u>	\$ <u> -</u>



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

Honorable Veller Ray Carrol
and the Members of the Board
Village of Ridgcrest, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Village of Ridgcrest, Louisiana (the Village), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Village of Ridgcrest, Louisiana basic financial statements and have issued our report thereon dated October 28, 2022.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-1 to be a material weakness.

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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2021-2.

Village of Ridgcrest, Louisiana's Response to Findings

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

Purpose of This Report

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

A handwritten signature in black ink that reads "Silas Simmons, LLP". The signature is written in a cursive, flowing style.

Natchez, Mississippi
October 28, 2022

**SECTION VI
SCHEDULE OF FINDINGS**

VILLAGE OF RIDGECREST, LOUISIANA
 SCHEDULE OF FINDINGS
 FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION 1: SUMMARY OF ACCOUNTANT'S RESULTS

Financial statements:

- | | |
|--|------------|
| 1. Type of report issued on the financial statements: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | Yes |
| 3. Material noncompliance relating to the financial statements? | Yes |

**VILLAGE OF RIDGECREST, LOUISIANA
CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2021**

Section I – Internal Control and Compliance Material to the Financial Statements:

2021-1 Segregation of Duties (Internal Control Finding)

Condition: Because of the small size of the Village and the small number of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Village’s assets.

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 entity with very few employees.

Effect of Condition: Material weakness in internal controls.

Recommendation: We recommend that the Village continue to provide the necessary oversight in its 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.

Response: Management indicates that it is not feasible or cost efficient to hire any additional employees and plans no changes in its operations.

2021-2 Late Filing of Audited Financial Statements

Condition: The Village’s audited financial statements were not submitted to the Louisiana Legislative Auditor by the statutory due date of June 30, 2022.

Criteria: To be in good standing with the State of Louisiana, the reviewed financial statements must be submitted to the Louisiana Legislative Auditor by June 30, 2022.

Cause of Condition: The audited financial statements were due on June 30, 2022, but the books and records were not available until June of 2022. This did not allow enough time to complete the audit.

Effect of Condition: The Village is on the noncompliance list with the State of Louisiana.

Recommendation: We recommend that the Village has its books and records available in a more timely manner.

Response: Management will work to correct this finding.

VILLAGE OF RIDGECREST, LOUISIANA
CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2021

Section II – Internal Control and Compliance Material to Federal Awards:

None

Section III – Management Letter:

None

SECTION VII
APPLYING AGREED-UPON PROCEDURES



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 Natchez, MS 39120
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 Natchez, MS 39121
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 Fax: 601-442-8551

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Village of Ridgcrest, Louisiana
 and the Louisiana Legislative Auditor

We have performed the procedures in the attached supplement, which were agreed to by the Village of Ridgcrest, Louisiana (the Village) enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021, through December 31, 2021. The Village's management is responsible for those control and compliance areas identified in the SAUPs.

The Village has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the control and compliance areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and findings are included in the supplement to this report

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

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

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

Silas Simms, LLP

Natchez, Mississippi
October 28, 2022

VILLAGE OF RIDGECREST, LOUISIANA
SUPPLEMENTAL SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
 - b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) *Disbursements*, including processing, reviewing, and approving.
 - d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) *Payroll/Persomel*, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k) *Information Technology Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

- l) *Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: We reviewed the written policies and procedures for the related functions listed above in the procedures, and we found that the Village does not have appropriate written policies and procedures for Budgeting, Receipts/Collections, Payroll/Personnel, Contracting, Credit Card, Travel and Expense Reimbursements, Debt Service, or Information Technology Disaster Recovery/Business Continuity.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public fund if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Findings: Monthly budget-to-actual comparisons were not referenced or noted.

Bank Reconciliations

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

Findings: We noted no evidence that a member of management or board member reviewed reconciliations.

Collections (excluding electronic funds transfers)

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

Findings: We were unable to obtain the requested information to perform the above procedures.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Findings: We were unable to obtain the requested information to perform the above procedures.

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

Findings: No exceptions noted.

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

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

- e) Trace the actual deposit per the bank statement to the general ledger.

Findings: We were unable to obtain the requested information to perform the above procedures.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).

Findings: We were unable to obtain the requested information to perform the above procedures.

9. For each location selected under Procedure 8, obtain a listing of those employees involved with nonpayroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Findings: We were unable to obtain the requested information to perform the above procedures.

10. For each location selected under Procedure 8, obtain the entity's nonpayroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under Procedure 9, as applicable.

Findings: We were unable to obtain the requested information to perform the above procedures.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-Cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Findings: No exceptions noted.

12. Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Findings: No exceptions noted.

13. Using the monthly statements or combined statements selected under Procedure 12, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Findings: We were unable to obtain the requested information to perform the above procedures.

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

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

Findings: We were unable to obtain the requested information to perform the above procedures.

Contracts

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

Findings: We were unable to obtain the requested information to perform the above procedures.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Findings: No exceptions noted.

17. Randomly select one pay period during the fiscal period. For the five employees or officials selected under Procedure 16, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Findings: We were unable to obtain the requested information to perform the above procedures.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Findings: We were unable to obtain the requested information to perform the above procedures.

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

Findings: We were unable to obtain the requested information to perform the above procedures.

Ethics

20. Using the five randomly selected employees/officials from Procedure 16 under "Payroll and Personnel", obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Findings: We were unable to obtain the requested information to perform the above procedures.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Findings: No exceptions noted

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings: No exceptions noted.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Findings: No exceptions noted

24. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings: No exceptions noted

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past three months.
 - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Findings: We were unable to obtain the requested information to perform the above procedures.

Sexual Harassment

26. Using the five randomly selected employees/officials from Procedure 16 under "Payroll and Personnel", obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Findings: We were unable to obtain the requested information to perform the above procedures.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Findings: We were unable to obtain the requested information to perform the above procedures.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Findings: We were unable to obtain the requested information to perform the above procedures.

**VILLAGE OF RIDGECREST, LOUISIANA
SCHEDULE OF EXCEPTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Reference Number</u>	<u>Description of Exception</u>
<u>Policies and Procedures</u> Procedure 1	The Village does not have appropriate written policies and procedures for Budgeting, Receipts/Collections, Payroll/Personnel, Contracting, Credit Card, Travel and Expense Reimbursements, Debt Service, or Information Technology Disaster Recovery/Business Continuity.
<u>Board or Finance Committee</u> Procedure 2	Monthly budget-to-actual comparisons were not referenced or noted.
<u>Bank Reconciliations</u> Procedure 3	We noted no evidence that a member of management or board member reviewed reconciliations.
<u>Collections</u> Procedure 4 - 7	We were unable to obtain the requested information to perform the above procedures.
<u>Nonpayroll Disbursements</u> Procedures 8 - 10	We were unable to obtain the requested information to perform the above procedures.
<u>Credit Cards/Debit Cards/P-Cards</u> Procedure 12 and 13	We were unable to obtain the requested information to perform the above procedures.
<u>Travel and Travel Related Expense</u> Procedure 14	We were unable to obtain the requested information to perform the above procedures.
<u>Contracts</u> Procedure 15	We were unable to obtain the requested information to perform the above procedures.
<u>Payroll and Personnel</u> Procedure 16 - 19	We were unable to obtain the requested information to perform the above procedures.
<u>Ethics</u> Procedure 20	We were unable to obtain the requested information to perform the above procedures.
<u>Information Technology/Disaster Recovery/Business Continuity</u> Procedure 25	We were unable to obtain the requested information to perform the above procedures.
<u>Sexual Harassment</u> Procedures 26-28	We were unable to obtain the requested information to perform the above procedures.

VILLAGE OF RIDGECREST, LOUISIANA
 SCHEDULE OF EXCEPTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Reference No.</u>	<u>Description of Exception</u>
<u>Accounting and Reporting</u>	
Procedure 8	Actual revenues were less than budgeted revenues by 32% for the Public Works Fund. Actual expenditures were within budgeted expenditures for the Public Works Fund.
Procedure 9a	There was no supporting documentation for one of the six selected disbursements.
Procedure 9c	Per review of cancelled checks and supporting documentation, it was noted that the appropriate approval signature for payment of one of the six invoices was not present.

Management's Response

We have reviewed the Supplemental Schedule of Agreed-Upon Procedures and Findings for the year ended December 31, 2021, and agree to the exceptions noted. It is our intent to correct the exception in order to be in compliance with the Louisiana Legislative Auditor's guidelines proposed in the report.