

VILLAGE OF RICHMOND, LOUISIANA
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021
With
INDEPENDENT AUDITOR'S REPORT

VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA

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RICHMOND, LOUISIANA

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THE HALFORD FIRM, PLLC

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of
The Board of Aldermen
Village of Richmond
Richmond, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Richmond, Louisiana as of and for the year ended June 30, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

The Honorable Mayor, and Members of
The Board of Aldermen
Village of Richmond
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An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Village of Richmond, as of June 30, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8 and the budgetary comparison information on page 22 be presented to supplement the basic financial statements. Such information, although not a part of basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The other supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements:

The Honorable Mayor, and Members of
The Board of Aldermen
Village of Richmond
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The other supplemental information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 standards generally accepted in the United States of America. In our opinion, the information is 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 *Governmental Auditing Standards*, we have also issued our report dated February 28, 2022, on our consideration of the Village of Richmond, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Richmond, Louisiana's internal control over financial reporting and compliance.

The Halford Firm, PLLC

Vicksburg, Mississippi
February 28, 2022

REQUIRED SUPPLEMENTARY INFORMATION
PART I

VILLAGE OF RICHMOND
MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Village of Richmond, Louisiana's financial performance provides an overview of the Village's financial activities for the year ended June 30, 2021. Please review it in conjunction with the Village's basic financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

The Village's net position increased \$343,000 as a result of this year's operations. This increase is due to the Village maintaining operating costs below revenue level.

During the year, the Village had total expenditures of \$509,491 in governmental funds, most of which was for general government.

Total general fund revenue for the Village for the current year was \$803,561. This was an increase of \$250,007 from the previous year. This increase is due to an increase in sales tax revenue and sewer fees.

Total general fund expenditures were \$446,143 or \$22,039 more than the prior year. The change in expenditures was as follows:

	Current Year	Prior Year	Change
General Government	\$ 274,930	\$ 287,329	\$ (12,399)
Public Safety	7,316	6,160	1,156
Public Works	115,574	81,928	33,646
Recreation	10,029	12,802	(2,773)
Capital Outley	38,294	35,885	2,409
Total	<u>\$ 446,143</u>	<u>\$ 424,104</u>	<u>\$ 22,039</u>

Overview of the Financial Statements

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

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 government-wide financial statements provide short-term and long-term information about the Village's financial statements as a whole.

The Village of Richmond's government-wide financial statements include a Statement of Net position (page 9) and Statement of Activities (page 10), which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the Statement of Net Position is to report all of the assets held and liabilities owed by the Village using the full accrual basis of accounting. The Village reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred.

The difference between the Village's total assets and total liabilities is reported as net position and this difference is similar to the total owner's equity presented by a commercial enterprise. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health is improving or deteriorating.

The purpose of the Statement of Activities is to present the revenues and expenses of the Village. Again, the items presented on the Statement of Activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the Village. Thus, revenues are reported even though they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Fund Balance Sheet and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village adopts an annual budget for all funds. A budgetary comparison statement is provided to demonstrate compliance with this budget.

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

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

REPORTING ON THE VILLAGE OF RICHMOND AS A WHOLE

The following table reflects a condensed statement of the Village's net position as of June 30, 2021, and 2020.

CONDENSED STATEMENT OF NET POSITION
 Years Ended June 30, 2021, and 2020

	2021	2020
Assets		
Current and other assets	\$ 1,374,004	\$ 1,063,896
Capital assets, net of accumulated depreciation	452,540	446,708
Total Assets	1,826,544	1,510,604
Liabilities		
Current and other liabilities	87,500	71,560
Long-term debt	470,000	513,000
Total Liabilities	557,500	584,560
Net Position		
Invested in capital assets, net of related debt	452,540	446,708
Unrestricted	816,504	479,336
Total Net Position	\$ 1,269,044	\$ 926,044

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Richmond, assets exceed liabilities at the close of the fiscal year, by \$1,269,044 in 2021, and \$926,044 in 2020. Of these amounts \$452,540, or 36%, and \$446,708, or 48% of the total net position, represent the investment of the Village in capital assets net of related debt. Net position of \$816,504 for 2021, and \$479,336 for 2020, which are technically unrestricted, need to be viewed in light of information in the fund financial statements.

Management's Discussion and Analysis
Page Four

The following table reflects the condensed Statement of Activities:

CONDENSED STATEMENT OF ACTIVITIES		
Years Ended June 30, 2021, and 2020		
	2021	2020
Revenues		
Taxes	\$ 613,189	\$ 445,410
Recreation	6,861	7,892
License & permits	24,333	28,115
Interest income	10,243	8,088
Public works	103,077	32,284
Intergovernmental	25,000	-
Other	20,907	28,951
Total	803,610	550,740
Expenses		
General government	283,782	296,512
Public safety	7,316	11,761
Public works	153,859	121,263
Recreation	15,653	23,980
Total	460,610	453,516
Change in Net Position	343,000	97,224
Net Position - beginning	926,044	828,820
Net Position - ending	\$ 1,269,044	\$ 926,044

As reported in the Statement of Activities, the cost of governmental activities for 2021 and 2020 was \$460,610 and \$453,516.

Financial Analysis of the Government's Funds

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

As of June 30, 2021, combined governmental fund balances of \$1,333,370 showed an increase of \$294,073 from the June 30, 2020, balance.

Budgetary Highlights

The Village's budget is prepared according to Louisiana law.

A budgetary comparison schedule showing the Village of Richmond's budget compared with actual operating results is provided in the report that follows.

Economic Factors and Next Year's Budgets

The Village considered many factors when setting the 2022 budget.

Revenues and expenditures of the Village's funds are expected to remain fairly consistent with the 2021 fiscal year.

Capital Assets and Debt Administration

Capital assets. The Village's capital assets for its governmental activities as of June 30, 2021, amounts to \$452,540 (net of accumulated depreciation). This investment includes land, buildings, sewer plant, furniture, equipment, and automobiles. The increase in capital assets for the year was \$5,832.

CONTACTING THE VILLAGE'S MANAGEMENT

This financial report is designed to provide a general overview of the Village of Richmond's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact the Village's Office at 598 Wood Street, Richmond, Louisiana 71282.

BASIC FINANCIAL STATEMENTS

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2021**

	<u>Governmental Funds</u>
Assets	
Cash and cash equivalents	\$ 753,299
Investments	534,906
Accounts receivable	85,164
Interest receivable	560
Other assets	75
Capital assets - net	452,540
Total Assets	<u>1,826,544</u>
 Liabilities	
Accounts payable	35,885
Payroll taxes payable	3,205
Accrued interest payable	5,410
Noncurrent Liabilities:	
Due within one year	43,000
Due in more than one year	470,000
Total Liabilities	<u>557,500</u>
 Net Position	
Invested in capital assets, net of related debt	452,540
Unrestricted	816,504
Total Net Position	<u>\$ 1,269,044</u>

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

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenue			Net Revenue (Expenses) Governmental Activities
		Charges for Services	Capital Grants	Operating Grants	
General government	\$ 283,782	\$ -	\$ 25,000	\$ -	\$ (258,782)
Public safety	7,316	-	-	-	(7,316)
Public works	153,859	103,077	-	-	(50,782)
Recreation	15,653	6,861	-	-	(8,792)
Total Government Activities	<u>\$ 460,610</u>	<u>\$ 109,938</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>(325,672)</u>

General Revenues:

Sales tax and video poker	465,120
Property taxes	110,022
Franchise taxes	24,608
Fire protection service charge	13,439
License & permits	24,333
Building rent	5,618
Interest income	10,243
Other revenue	<u>15,289</u>
Total General Revenues	<u>668,672</u>
Change in Net Position	343,000
Net Position, beginning	<u>926,044</u>
Net Position, ending	<u>\$ 1,269,044</u>

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

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2021**

ASSETS	<u>Governmental Fund Types</u>		Total Governmental Funds
	<u>General</u>	<u>Capital Projects Fund</u>	
Assets			
Cash & cash equivalents	\$ 750,167	\$ 3,132	\$ 753,299
Investments	534,906	-	534,906
Accounts receivable	83,620	-	83,620
Interest receivable	560	-	560
Other assets	75	-	75
Total Assets	<u>1,369,328</u>	<u>3,132</u>	<u>1,372,460</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	35,885	-	35,885
Payroll tax payable	3,205	-	3,205
Total Liabilities	<u>39,090</u>	<u>-</u>	<u>39,090</u>
Fund Balance			
Assigned fund balance	-	3,132	3,132
Unassigned fund balance	1,330,238	-	1,330,238
Total Fund Balance	<u>1,330,238</u>	<u>3,132</u>	<u>1,333,370</u>
Total Liabilities & Fund Equity	<u>\$1,369,328</u>	<u>\$ 3,132</u>	<u>\$1,372,460</u>

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

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

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

Fund Balances, Total Governmental Funds	\$ 1,333,370
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	452,540
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Receivables collected more than 60 days after year end are not recorded on governmental funds.	1,544
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued interest payable	(5,410)
Bond payable	(513,000)
	(518,410)

Net Position of Governmental Activities	\$ 1,269,044
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The accompanying notes are an integral part of the financial statements.

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>General</u>	<u>Capital Projects</u>	<u>Totals</u>
Revenue			
Taxes:			
Property	\$ 110,022	\$ -	\$ 110,022
Sales tax and video poker	463,574	-	463,574
Franchise	24,608	-	24,608
Fire protection service charge	13,439	-	13,439
Sewer fees	103,077	-	103,077
Licenses & permits	24,333	-	24,333
Rent	7,118	-	7,118
Interest	10,240	3	10,243
Intergovernmental	25,000	-	25,000
Other revenue	22,150	-	22,150
Total revenue	<u>803,561</u>	<u>3</u>	<u>803,564</u>
Expenditures			
Current:			
General government	274,930	-	274,930
Public safety	7,316	-	7,316
Public works	115,574	-	115,574
Recreation	10,029	-	10,029
Capital outlay	38,294	-	38,294
General Obligation Bond:			
Principal payment	-	42,000	42,000
Interest expense	-	21,348	21,348
Total expenditures	<u>446,143</u>	<u>63,348</u>	<u>509,491</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>357,418</u>	<u>(63,345)</u>	<u>294,073</u>
Other Financing Sources (Uses)			
Transfers in	-	63,348	63,348
Transfers out	<u>(63,348)</u>	<u>-</u>	<u>(63,348)</u>
Total Other Financing Sources (Uses)	<u>(63,348)</u>	<u>63,348</u>	<u>-</u>
Net Change in Fund Balance	294,070	3	294,073
Fund Balance - Beginning	<u>1,036,168</u>	<u>3,129</u>	<u>1,039,297</u>
Fund Balance - Ending	<u>\$ 1,330,238</u>	<u>\$ 3,132</u>	<u>\$ 1,333,370</u>

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

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

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

Net Change in Fund Balances, Total Governmental Funds	\$ 294,073
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.</p>	
	5,832
<p>Receivables collected more than 60 days from the Balance Sheet date are not recorded as income on governmental funds financial statements, but are on the Statement of Activities.</p>	
Net change in amount	45
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>	
Bond principal payments	42,000
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Decrease in accrued interest payable	1,050
Change in Net Position of Governmental Activities	<u>\$ 343,000</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

INTRODUCTION

The Village of Richmond, Louisiana (hereafter referred to as the Village) was created under the provisions of the Lawrason Act, Louisiana Revised Statute 33:321, August 28, 1973. Therefore, it operates under a Mayor - Board of Aldermen form of government.

The Mayor and three Alderpersons are elected at large every four years by the citizens of the Village.

The purpose of the municipality is to promote the general welfare, safety, health, peace, good order, comfort, convenience, and morals of its inhabitants.

The Village is situated in the northwest part of Madison Parish with a population of 604 persons. Within the boundaries are approximately 16 miles of roads maintained by the Village. It is currently servicing 198 sewer customers and employs 6 people.

GASB Statement No.14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Village does not have oversight of any other component units and therefore, no other government unit is included in the Village's financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. 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.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

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**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. 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. 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

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

The Village reports the following major governmental funds:

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

The **Capital Projects Fund** accounts for grants and bonds that are designated for capital projects.

C. Cash and Cash Equivalents

Cash includes amounts in demand deposits. Under state law, the Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principle offices in Louisiana. Certificates of deposit with maturities of 90 days or less are classified as cash equivalents, and those maturities exceeding 90 days are classified as investments.

D. Investments

Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. All investments of the Village are certificates of deposit held at local banks and the fair value is determined by the face value of the certificate.

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**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. Capital Assets

Under GASB Statement No. 34, capital assets, which include buildings, other improvements, machinery and equipment, vehicles, and furniture and fixtures, are reported and depreciated in the applicable governmental or business-type activities column of the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental fund statements.

As permitted by GASB Statement No. 34, the Village has elected not to capitalize infrastructure assets retroactively such as streets, sidewalks, drainage, and street lighting.

All purchased capital assets are recorded at cost. Donated capital assets are valued at fair market value at date of gift. Major additions are capitalized while maintenance and repairs that do not improve or extend the life of the respective assets are charged to expense. Interest is capitalized on funds used during construction of projects acquired with bonds.

Capital assets are depreciated over the estimated useful lives of the assets using the straight-line method. Estimated useful lives are as follows:

Buildings	40 years
Sewerage System	40 years
Office Equipment	5 to 10 years
Equipment	5 to 20 years
Vehicles	5 years

F. Fund Equity

Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance - amounts that are not in 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 provision, or by enabling legislation.

Committed Fund Balance - amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e., Mayor/Board of Aldermen). To be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance - amounts the Village intends to use for a specific purpose. Intent is expressed by the Mayor/Board of Aldermen.

-continued

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

F. Fund Equity - continued

Unassigned Fund Balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Village 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 Mayor/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).

G. Property Taxes

Ad valorem taxes were levied for 2020 at 5.27 mills for property tax, 2.63 mills for fire protection, and 14.6 mills for street improvements. These taxes, which attach as enforceable liens on property as of January 1, are levied in October, become due on receipt and until December 31, and become delinquent on January 1 of the following year. The taxes are generally collected in December of the current year and January and February of the following year.

H. Compensated Absences

Employees of the Village do not accrue or "carry forward" vacation or sick pay from year to year. Consequently, there is no liability for compensated absences.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. The estimates are the responsibility of management. Actual results can differ from those estimates.

J. Retirement Plan

The Village is not a participant in a retirement plan.

K. Fire Protection

The Village assesses a service charge for fire protection an amount that would equal 2.90 mills of property tax.

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**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 2 – CASH AND CASH EQUIVALENTS

At June 30, 2021, the Village had cash and cash equivalents totaling \$753,299 as follows:

Petty cash	\$ 100
Demand deposits	371,367
Interest bearing demand deposits	381,832
Total	<u>\$ 753,299</u>

These deposits are stated at cost, which approximates market. 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 accepted by both parties.

Although the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district attorney that the fiscal agent has failed to pay deposited funds upon demand.

As of June 30, 2021, the book balance of the Village's deposits was \$753,299, and the bank balance was \$757,269. Of the bank balance, \$536,978 was covered by federal deposit insurance and \$220,291 by pledged securities.

NOTE 3 – INVESTMENTS

At June 30, 2021, the Village's investments were as follows:

	<u>Carrying Amount</u>	<u>Market Value</u>
Guaranty Bank and Trust Certificate of Deposit	\$ 209,526	\$ 209,526
Capital One Certificate of Deposit	325,380	325,380
Total	<u>\$ 534,906</u>	<u>\$ 534,906</u>

Of the \$534,906 of certificates of deposit, \$250,000 was secured from risk by federal deposit insurance and \$284,906 by pledged securities.

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**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 4 – FIXED ASSETS

The changes in capital assets are as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities:				
Land	\$ 66,086	\$ -	\$ -	\$ 66,086
Building and improvements	223,743	25,000	-	248,743
Police equipment	8,174	-	-	8,174
Tractors	67,061	-	-	67,061
Mosquito equipment	44,742	-	-	44,742
Sewer plant and improvements	621,039	-	-	621,039
Equipment-Sewer	66,597	-	-	66,597
Ball park	158,780	13,293	-	172,073
Other equipment	135,695	-	-	135,695
Total Capital Assets	1,391,917	38,293	-	1,430,210
Less: Accumulated depreciation	(945,209)	(32,461)	-	(977,670)
Net Capital Assets - governmental activities	\$ 446,708	\$ 5,832	\$ -	\$ 452,540

NOTE 5 – GENERAL LONG-TERM OBLIGATION

The Village issued \$790,000 of General Obligation Bonds, dated March 11, 2014, for the purpose of overlaying and improving public streets. The bonds bear interest at 3.42799%, and are payable in semi-annual installments on March 1 and September 1 until maturity on March 1, 2031. The Village passed an ad valorem tax increase which is restricted for repayment of the bonds

The debt service requirement to amortize the bonds outstanding at June 30, 2021, is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	43,000	20,298	63,298
2023	44,000	19,094	63,094
2024	46,000	17,774	63,774
2025	47,000	16,279	63,279
2026	49,000	14,634	63,634
2027-2031	284,000	41,109	325,109
Total	\$ 513,000	\$ 129,188	\$ 642,188

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**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021 – continued**

NOTE 6 – SUBSEQUENT EVENTS

Subsequent events were evaluated through February 28, 2022, the date the financial statements were available to be issued, and it was determined that no additional disclosures are necessary.

REQUIRED SUPPLEMENTARY INFORMATION

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Original	Amended Original	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes- general	\$ 27,000	\$ 34,750	\$ 34,953	\$ 203
Service charge- fire protection	13,000	13,000	13,439	439
Street improvement tax	65,300	75,000	75,069	69
Franchise tax	15,100	16,100	24,608	8,508
Occupational licenses & permits	30,000	27,500	24,333	(3,167)
Sewer fees	22,000	85,000	103,077	18,077
Building rent	1,300	3,475	3,475	-
Civic Center rent	7,000	3,600	3,643	43
Interest	1,400	1,900	10,240	8,340
Grant	-	-	25,000	25,000
Other	3,000	6,000	22,150	16,150
Sales tax & video poker	290,000	330,000	463,574	133,574
Total Revenues	475,100	596,325	803,561	207,236
Expenditures				
Current - General Government				
Salaries	175,000	175,000	164,887	10,113
Advertising	3,000	2,500	2,873	(373)
Bank, bond & court fees	500	900	942	(42)
Contract labor	10,650	1,000	200	800
Fire protection service	6,000	6,000	5,500	500
Dues & subscriptions	2,000	2,000	2,075	(75)
Fuel & oil	4,000	4,000	4,322	(322)
Insurance	30,000	20,000	26,165	(6,165)
Legal & accounting	13,000	13,000	10,929	2,071
Office expense	3,500	9,000	9,493	(493)
Postage	500	550	550	-
Repairs & maintenance	71,500	96,500	84,271	12,229
Supplies	15,200	26,000	25,917	83
Supplies - mosquito control	-	-	1,750	(1,750)
Richmond Sports Complex	10,000	10,000	8,863	1,137
Miscellaneous	-	3,000	1,167	1,833
Payroll taxes	13,000	13,000	12,683	317
Telephone	7,500	7,700	8,437	(737)
Travel	1,000	500	-	500
Utilities	35,800	37,900	36,826	1,074
Capital outlay	36,000	36,000	38,293	(2,293)
Total expenditures	438,150	464,550	446,143	18,407
Excess (Deficiency) of Revenue Over Expenditures	36,950	131,775	357,418	225,643
Other Financing Sources (Uses)				
Operating transfers out	(63,270)	(63,348)	(63,348)	-
Total other financing sources (uses)	(63,270)	(63,348)	(63,348)	-
Net Change in Fund Balance	(26,320)	68,427	294,070	225,643
Fund Balance - beginning	1,036,168	1,036,168	1,036,168	-
Fund Balance - ending	\$ 1,009,848	\$ 1,104,595	\$ 1,330,238	\$ 225,643

OTHER SUPPLEMENTARY INFORMATION

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
FOR THE YEAR ENDED JUNE 30, 2021**

The following information is provided in compliance with House Concurrent Resolution No. 54 of the Louisiana Legislature.

<u>Name</u>	<u>Amount</u>
Mayor Olga Butler	\$ 33,784
Alderman Lamar Walters	4,500
Alderwoman Margaret Leoty	4,500
Alderman Walter Cobb	<u>4,500</u>
 Total	 <u>\$ 47,284</u>

VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS,
OTHER PAYMENTS TO AGENCY HEAD
JUNE 30, 2021

Olga Butler, Mayor

Salary & expense	\$ 36,369
Reimbursement	<u>-</u>
Total	<u>\$ 36,369</u>

**COMPLIANCE REPORTING AND OTHER SCHEDULES REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
American Institute of
Certified Public Accountants

Mississippi Society of
Certified Public Accountants

Louisiana Society of
Certified Public Accountants

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

Honorable Mayor and Members
Of the Board of Aldermen
Village of Richmond, Louisiana

We have audited the financial statements of the Village of Richmond as of and for the year ended June 30, 2021, and have issued our report thereon dated February 28, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village of Richmond's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify one deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 21-01 that we consider to be significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Richmond's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Village of Richmond, management, others within the organization, and applicable State Auditors and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

The Halford Firm, PLLC

February 28, 2022

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021**

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the annual financial statements of the Village of Richmond, Louisiana.
2. No instances of noncompliance material to the financial statements were disclosed during the audit of the financial statements.
3. One significant deficiency relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

FINDINGS - FINANCIAL STATEMENTS AUDIT

21-01- Segregation of Duties

Finding:

During our audit we noted that the size of the Village of Richmond and the limited number of employees does not permit an adequate segregation of employee duties for effective internal control. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Recommendation:

To the extent that it is practical to do so, management should segregate employee duties and perform supervisory reviews.

Response: Based on the size of the office staff, it is not feasible to add additional personnel to achieve complete segregation of duties.

**VILLAGE OF RICHMOND, LOUISIANA
RICHMOND, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

The following is a summary of the status of the prior year findings included in the auditor's report dated November 7, 2020, covering the examination of the financial statements of the Village of Richmond, Louisiana as of and for the year ended June 30, 2020.

20-01 – Segregation of Duties

Finding:

During our audit we noted that the size of the Village of Richmond and the limited number of employees does not permit an adequate segregation of employee duties for effective internal control. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Status:

This finding was not resolved by June 30, 2021, and is a repeat finding for the current year.