

# **VILLAGE OF DODSON**

**FINANCIAL REPORT  
JUNE 30, 2019**

**SHANNA JONES, CPA  
WINNFIELD, LOUISIANA**

**VILLAGE OF DODSON**  
**FINANCIAL REPORT**  
**JUNE 30, 2019**

**TABLE OF CONTENTS**

	Page
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Management’s Discussion and Analysis	M-1
<b>INDEPENDENT AUDITOR’S REPORT</b>	1
<b>BASIC FINANCIAL STATEMENTS:</b>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Position	6
Statement of Activities	7
<b>Fund Financial Statements:</b>	
Balance Sheet—Governmental Funds	9
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	10
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	12
Statement of Net Position—Proprietary Fund	13
Statement of Revenues, Expenses and Changes in Fund Net Position—Proprietary Fund	14
Statement of Cash Flows—Proprietary Fund	15
<b>NOTES TO FINANCIAL STATEMENTS</b>	17
<b>OTHER REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Budgetary Comparison Schedule—General Fund	27
Reconciliation of Budgetary Comparison Schedule to Statement of Revenues, Expenditures and Changes in Fund Balances—General Fund	28

**VILLAGE OF DODSON**  
**FINANCIAL REPORT**  
JUNE 30, 2019

TABLE OF CONTENTS (continued)

	Page
OTHER SUPPLEMENTARY INFORMATION:	
Schedule of Compensation for Agency Head	30
COMPLIANCE AND OTHER MATTERS:	
Independent Auditor's Report Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	32
Schedule of Audit Findings and Responses	34
STATEWIDE AGREED-UPON PROCEDURES:	
Independent Accountant's Report on Applying Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures	35
Louisiana Agreed-upon Procedures Representation Form	45

## **Village of Dodson**

P. O. Box 86  
Dodson, LA 71422

### **MANAGEMENT'S DISCUSSION & ANALYSIS**

The Management's Discussion and Analysis of the Village of Dodson's (the Village) financial performance presents a narrative overview and analysis of Village of Dodson's financial activities for the years ended June 30, 2019 and 2018. The Village's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

#### **FINANCIAL HIGHLIGHTS**

The Village's net position on June 30, 2019 was \$1,874,165 and \$1,934,388 on June 30, 2018. The net position is made up largely of Capital Assets. The Village has \$1,488,470 in Net Capital Assets as of June 30, 2019 with no debt associated with it.

During fiscal year ended June 30, 2019 a decrease of \$56,184 over prior year expenses was noted in Governmental Expenditures. Personnel and Related Benefits continue to be the highest costs of the General Government. In the Business-type activities Operating Expenses are higher than prior year by \$10,536. These expenses continue to exceed charges for the water and sewer services, causing a loss for the Village.

#### **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Village of Dodson's financial position and results of operations from differing perspectives which are described as follows:

**GOVERNMENTAL-WIDE FINANCIAL STATEMENTS**—This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. These statements tell how the services were financed in the short-term as well as what remains for future spending.

**FUND FINANCIAL STATEMENTS**—A fund is an accountability unit used to maintain control over resources segregated for specific activities. The Village uses funds to ensure and demonstrate compliance with finance related laws and regulations. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources at the end of the year.

As the Government-wide Financial Statements includes the long-term view, comparisons between these two views may provide insight into the long-term impact as short-term financing decreases. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the difference between these two views.

**Village of Dodson**  
MANAGEMENT'S DISCUSSION & ANALYSIS (continued)

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents Other Required Supplementary Information consisting of a comparison of budgeted revenues and expenditures to actual revenues and expenditures.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

The Village's Governmental Fund consist of a major fund: General and one Proprietary Fund: Utilities-Water and Sewer. In the current fiscal year, the General fund declined \$36,165 and Proprietary fund decreased \$12,308. These were mainly the result in expenses exceeding revenues even with lowering expenditures and increasing revenues. As of June 30, 2019, the fund balance and net position, respectively are as follows: General \$170,680, and Proprietary \$1,306,381.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Village as a whole.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2019</u>		<u>2018</u>	
	<b>Governmental</b>	<b>Business-type</b>	<b>Governmental</b>	<b>Business-type</b>
<b>Assets:</b>				
Current	\$ 185,976	\$ 231,622	\$ 345,798	\$ 207,996
Non-Current:				
Capital Assets (Net)	<u>397,104</u>	<u>1,091,366</u>	<u>408,854</u>	<u>1,130,475</u>
Total Assets	<u>583,080</u>	<u>1,322,988</u>	<u>754,652</u>	<u>1,338,471</u>
<b>Liabilities:</b>				
Current:				
Unrestricted	15,296	2,866	13,923	5,172
Restricted	<u>-</u>	<u>13,741</u>	<u>125,030</u>	<u>14,610</u>
Total Liabilities	<u>15,296</u>	<u>16,607</u>	<u>138,953</u>	<u>19,782</u>
<b>Net Position:</b>				
Invested in Capital Assets	397,104	1,091,366	408,854	1,130,475
Restricted	-	13,741	-	14,610
Unrestricted	<u>170,680</u>	<u>201,274</u>	<u>206,845</u>	<u>173,604</u>
Total Net Position	<u>\$ 567,784</u>	<u>\$ 1,306,381</u>	<u>\$ 615,699</u>	<u>\$ 1,318,689</u>

**Village of Dodson**  
MANAGEMENT'S DISCUSSION & ANALYSIS (continued)

Rather than present the Statement of Net Activities, this comparative data shows a Summary of Changes in of Net Position:

	<u>2019</u>		<u>2018</u>	
	<b>Governmental</b>	<b>Business-type</b>	<b>Governmental</b>	<b>Business-type</b>
<b>Revenues:</b>				
Program Revenues—				
Charges for Services,				
Fines, Commissions	\$ 326,062	\$ 107,826	\$ 324,020	\$ 98,943
Operating Grants &				
Contributions	4,000	-	-	6,452
Capital Grants &				
Contributions	-	19,250	139,480	2,000
General Revenues—				
Ad Valorem Taxes	9,846	-	9,756	-
Franchise Taxes	6,959	-	7,035	-
Rental Income	5,400	-	5,150	-
Licenses & Fees	18,354	-	17,633	-
Interest & Miscellaneous	<u>1,028</u>	<u>207</u>	<u>3,685</u>	<u>166</u>
Total Revenues	371,649	127,283	506,759	107,561
<b>Expenditures:</b>				
General Government	275,685	-	339,521	-
Public Safety	143,333	-	141,465	-
Public Works	19,500	-	13,716	-
Operating	<u>-</u>	<u>120,637</u>	<u>-</u>	<u>110,101</u>
Total Expenditures	438,518	120,637	494,702	110,101
Excess (Deficiency) of				
Revenues over (under)				
Expenditures	<u>( 66,869)</u>	<u>6,646</u>	<u>12,057</u>	<u>( 2,540)</u>
<b>Other Financing Sources Uses:</b>				
Sale of Asset	-	-	-	-
Transfers from Other Funds	18,954	-	2,000	-
Transfers to Other Funds	<u>-</u>	<u>( 18,954)</u>	<u>-</u>	<u>( 2,000)</u>
Total Other Financing Sources				
(Uses)	<u>18,954</u>	<u>( 18,954)</u>	<u>2,000</u>	<u>( 2,000)</u>
Changes in Net Position	\$ ( 47,915)	\$ ( 12,308)	\$ 14,057	\$ ( 4,540)

**Village of Dodson**  
MANAGEMENT'S DISCUSSION & ANALYSIS (continued)

FUNCTIONS OF EXPENSES

The total functions of the Village include general governmental activities, public safety and public works. In the business-type activities water and sewer services are provided.

GENERAL BUDGETARY HIGHLIGHTS

For the year ended June 30, 2019, total revenues and total expenditures were within the favorable variance allowed by state law. The original budget was amended primarily to include the state grant revenues and expenditures related to the Street Capital Outlay in Progress. Actual Revenues and Other Financing Sources exceeded Budgeted Revenues and Other Financing Sources by \$48,986 causing a favorable variance. Actual Expenditures exceeded Budgeted Expenditures by \$802 which is a unfavorable variance within the legal limits.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village has prepared its fiscal year ended June 30, 2019 budget for the General Fund on the assumptions that revenues and expenditures will remain fairly consistent next year. Revenues and expenditures for the Proprietary Fund should also remain consistent during the next fiscal year.

CONTACTING THE VILLAGE

This financial report is designed to provide a general overview of the Village's finances, compliance with governmental financial reporting laws and regulations and demonstrate the Village's commitment to public accountability. If you have additional questions about this report or would like to request additional information, contact the Village of Dodson, P. O. Box 86, Dodson, LA 71422.

# *Shanna Jones, CPA*

*795 Big Creek Rd  
Winnfield, LA 71483  
792-8544*

## INDEPENDENT AUDITOR'S REPORT

To the Mayor & Aldermen  
of the Village of Dodson  
P.O. Box 86  
Dodson, Louisiana

I have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of Village of Dodson, Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S. and the *Louisiana Governmental Audit Guide*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In my 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, and each

major fund, of the Village of Dodson, Louisiana, as of June 30, 2019, 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 U.S. require that Management's Discussion and Analysis, the Budgetary Comparison Schedule, and the Reconciliation of Budgetary Comparison Schedule to the Schedule of Revenues, Expenditures and Changes in Fund Balances—General Fund on pages M-1 through M-4, pages 27 and 28 respectively, to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the U.S., which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

As amended by Act 462 of 2015, Act 706 of the Louisiana 2014 Legislative Session requires a Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head or Chief Executive Officer supplement the financial statements. I have applied certain limited procedures to the required supplementary information presented on page 30, in accordance with auditing standards generally accepted in the U.S., which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

As allowed by Louisiana R.S. 24:513, the Louisiana Legislative Auditor has required governmental entities with public funds of \$500,000 or more to have certain agreed-upon procedures performed as included in the *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures* (SAUPs). The Village's management is responsible for those control and compliance (C/C) areas identified in the SAUPs, see pages 45-47. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Governmental Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report presented on pages 35-44. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Other Reporting Required by *Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued a report dated October 8, 2019, on my consideration of the Village of Dodson's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's 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 Village of Dodson's internal control over financial reporting and compliance.

*Shanna Jones*

Shanna Jones, CPA  
Winnfield, Louisiana  
October 8, 2019

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

**VILLAGE OF DODSON**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Current Assets:			
Cash & Cash Equivalents	\$ 112,543	\$ 206,180	\$ 318,723
Receivables	64,612	11,701	76,313
Prepaid Expenses	8,821		8,821
Restricted Assets—Cash	-	13,741	13,741
Total Current Assets	185,976	231,622	417,598
Non-Current Assets:			
Capital Assets			
Depreciable (Net)	5,500	1,068,566	1,074,066
Non-Depreciable	391,604	22,800	414,404
Total Non-Current Assets	397,104	1,091,366	1,488,470
Total Assets	583,080	1,322,988	1,906,068
<b>Liabilities:</b>			
Current Liabilities:			
Accounts Payable	6,613	3,081	9,694
Payroll & Related Liabilities	8,468	-	8,468
Due to/from	215	( 215)	-
Restricted Liabilities—Customers’ Deposits	-	13,741	13,741
Total Current Liabilities	15,296	16,607	31,903
<b>Net Position:</b>			
Net Investment in Capital Assets	397,104	1,091,366	1,488,470
Restricted	-	13,741	13,741
Unrestricted	170,680	201,274	371,954
Total Net Position	\$ 567,784	\$ 1,306,381	\$ 1,874,165

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

**VILLAGE OF DODSON**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Program Activities	Expenses	Program Revenue			Net (Expense) Revenue & Changes in Net Position		
		Fines, Fees, Commissions & Charges for Services	Grants & Contributions Operating	Capital	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
General & Admin	\$ 275,685	\$ 6,983	\$ -		\$ ( 268,702)		\$ ( 268,702)
Public Safety	143,333	319,079	4,000		179,746		179,746
Public Works	19,500	-		\$ -	( 19,500)		( 19,500)
<b>Total Governmental</b>	<b>438,518</b>	<b>326,062</b>	<b>4,000</b>	<b>-</b>	<b>( 108,456)</b>		<b>( 108,456)</b>
<b>Business-type Activities:</b>							
Water	56,688	70,009	-	19,250		\$ 32,571	32,571
Sewer	63,949	37,817	-	-	( 26,132)		( 26,132)
<b>Total Business-type</b>	<b>\$ 120,637</b>	<b>\$ 107,826</b>	<b>\$ -</b>	<b>19,250</b>		<b>6,439</b>	<b>6,439</b>
<b>General Revenues:</b>							
Taxes:							
Ad Valorem					9,846		9,846
Franchise					6,959		6,959
Licenses & Permits					18,354		18,354
Rental Income					5,400		5,400
Interest Earnings					120	207	327
Miscellaneous					908		908
Transfers					18,954	( 18,954)	-
<b>Total General Revenues and Transfers</b>					<b>60,541</b>	<b>( 18,747)</b>	<b>41,794</b>
Change in Net Position					( 47,915)	( 12,308)	( 60,223)
Net Position July 1, 2019					615,699	1,318,689	1,934,388
Net Position June 30, 2019					<b>\$ 567,784</b>	<b>\$ 1,306,381</b>	<b>\$ 1,874,165</b>

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

## FUND FINANCIAL STATEMENTS

**VILLAGE OF DODSON**  
**BALANCE SHEET—GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	<u>Major Fund General</u>
<b>Assets:</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 112,543
Receivables	64,612
Prepaid Expenses	<u>8,821</u>
Total Assets	<u><u>185,976</u></u>
<b>Liabilities:</b>	
Current Liabilities:	
Accounts Payable	6,613
Payroll & Related Liabilities	8,468
Due to Proprietary Fund	<u>215</u>
Total Liabilities	<u>15,296</u>
<b>Fund Balances:</b>	
Nonspendable	8,821
Unassigned	<u>161,859</u>
Total Fund Balances	<u>170,680</u>
Total Liabilities & Fund Balances	<u><u>\$ 185,976</u></u>

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

**VILLAGE OF DODSON**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

Total Fund Balances for the Governmental Funds at June 30, 2019	\$ 170,680
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 fund. Those assets consist of:	
Non-Depreciable	5,500
Depreciable	1,136,871
Less: Accumulated Depreciation	<u>( 745,267)</u>
	<u>397,104</u>
Total Net Position of Governmental Activities at June 30, 2019	<u>\$ 567,784</u>

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

**VILLAGE OF DODSON**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Major Fund General</u>
<b>Revenues:</b>	
Taxes:	
Ad Valorem	\$ 9,846
Franchise	6,959
Licenses & Permits	18,354
Grant	4,000
Fines & Forfeitures	319,079
Charges for Services	6,983
Miscellaneous:	
Interest Earned	120
Rent	5,400
Other	<u>908</u>
 Total Revenues	 <u>371,649</u>
<b>Expenditures:</b>	
Current:	
General Government	265,400
Public Safety	132,142
Public Works	5,572
Capital Outlay	<u>23,654</u>
 Total Expenditures	 <u>426,768</u>
 Excess (Deficiency) of Revenues over Expenditures	 <u>( 55,119)</u>
<b>Other Financing Sources/(Uses):</b>	
Transfers In	<u>18,954</u>
 Excess (Deficiency) of Revenues & Other Financing Sources over Expenditures & Other Financing Uses	 <u>( 36,165)</u>
 Fund Balances—Beginning of Year	 <u>206,845</u>
 Fund Balances—End of Year	 <u>\$ 170,680</u>

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

**VILLAGE OF DODSON**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Net Change in Fund Balances—Governmental Funds \$ ( 36,165)

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 these assets is allocated over  
their estimated useful lives as depreciation expense.  
The cost of Capital Assets recorded in the current  
period is 23,654

Governmental Funds report the entire amount received from the  
Sales of Assets as Revenues, but the undepreciated cost of the  
assets reduces the gain from the sale in the Statement of Activities. ( - )

Depreciation expense on Capital Assets is reported in  
the Government-wide Financial Statements, but  
does not require the use of current financial resources  
and is not reported in the Fund Financial Statements.  
Current year depreciation expense is ( 35,404)

Net Change in Net Position per Statement of Activities \$ ( 47,915)

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

**VILLAGE OF DODSON**  
**STATEMENT OF NET POSITION—PROPRIETARY FUND**  
**JUNE 30, 2019**

**Assets:**

Current Assets:

Cash & Cash Equivalents	\$ 206,180
Receivables, Net	11,701
Due from General Fund	215
Restricted—Cash & Cash Equivalents	<u>13,741</u>
Total Current Assets	<u>231,837</u>

Non-Current Assets:

Capital Assets	
Depreciable (Net of Depreciation)	1,068,566
Non-Depreciable	<u>22,800</u>
Total Non-Current Assets	<u>1,091,366</u>

Total Assets	<u>1,323,203</u>
--------------	------------------

**Liabilities:**

Current Liabilities:

Accounts Payable	3,081
Restricted Liabilities—Customer Deposits	<u>13,741</u>

Total Liabilities	<u>16,822</u>
-------------------	---------------

**Net Position:**

Net Investment in Capital Assets	1,091,366
Restricted	13,741
Unrestricted	<u>201,274</u>

Total Net Position	<u>\$ 1,306,381</u>
--------------------	---------------------

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

**VILLAGE OF DODSON**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION—PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Operating Revenues:**

Charges for Services			
Water	\$	70,009	
Sewer		<u>37,817</u>	

Total Operating Revenues	<u>107,826</u>
--------------------------	----------------

**Operating Expenses:**

Water			
Operating Supplies		23,531	
Telephone & Utilities		9,814	
Depreciation		23,343	
Sewer			
Operating Supplies		14,234	
Telephone & Utilities		9,744	
Depreciation		<u>39,971</u>	

Total Operating Expenses	<u>120,637</u>
--------------------------	----------------

Net Operating Income/(Loss)	<u>( 12,811)</u>
-----------------------------	------------------

**Non-Operating Revenues (Expenses):**

Investment Interest			207
Grant Income		<u>19,250</u>	

Total Non-Operating Revenues (Expenses)	<u>19,457</u>
---	---------------

Net Loss before Transfers	<u>6,646</u>
---------------------------	--------------

**Contributions & Transfers:**

Transfers Out			<u>( 18,954)</u>
---------------	--	--	------------------

Change in Fund Net Position	( 12,308)
-----------------------------	-----------

Fund Net Position—Beginning of Year	<u>1,318,689</u>
-------------------------------------	------------------

Fund Net Position—End of Year	<u><u>\$ 1,306,381</u></u>
-------------------------------	----------------------------

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

**VILLAGE OF DODSON**  
**STATEMENT OF CASH FLOWS—PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Cash Flows from Operating Activities:**

Receipts from Customers	\$ 106,500
Payments to Suppliers	( 59,414)
Payments, Netted for Interfund Borrowing, General Fund	<u>( 215)</u>
Net Cash Provided by Operating Activities	<u>46,871</u>

**Cash Flows from Non-Capital & Related Financing Activities:**

Transfers (to)/from Other Funds	<u>( 18,954)</u>
Net Cash (Used) by Non-Capital & Related Financing Activities	<u>( 18,954)</u>

**Cash Flows from Capital & Related Financing Activities:**

Equipment Purchase	( 3,405)
Capital Grant	19,250
(Increase) in Construction in Progress	<u>( 20,800)</u>
Net Cash (Used) by Capital & Related Financing Activities	<u>( 4,955)</u>

**Cash Flows from Investing Activities:**

Interest Earned on Operating Accounts	<u>207</u>
Net Cash Provided by Investing Activities	<u>207</u>

**Net Increase (Decrease) in Cash & Cash Equivalents** 23,169

**Cash & Cash Equivalents—Beginning of Year** 183,011

**Cash & Cash Equivalents—End of Year** \$ 206,180

**Reconciliation of Operating Income to Net Cash Provided by Operating Activities:**

**Operating Activities:**

Operating Income/(Loss)	\$ ( 12,811)
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Depreciation	63,314
Changes in Assets & Liabilities:	
(Increase)/Decrease in Accounts Receivable, Net	( 1,326)
(Increase)/Decrease in Due from General Fund	( 215)
Increase/(Decrease) in Accounts Payable	<u>( 2,091)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 46,871</u></u>

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

NOTES TO FINANCIAL STATEMENTS

**VILLAGE OF DODSON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1—INTRODUCTION**

The Village of Dodson, Louisiana, is incorporated under the Lawrason Act with a Mayor-Board of Aldermen form of government. The executive branch of government is headed by the Mayor and the legislative branch consists of three Aldermen.

This report includes all funds which are controlled by or dependent on the Village of Dodson, Louisiana's executive and legislative branches (the Mayor and Aldermen). Control by or dependence on the Village of Dodson, Louisiana was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of government body, and other general oversight responsibility.

The Village's operations include police protection, fire protection, and general and administrative services. In addition, the Village operates a Utility System which provides water and sewer services.

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

The Village is the basic level of government which has financial accountability and control over all activities related to the Village operations and services provided. The Village is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since the Village Mayor and Board of Aldermen are elected by the public and have decision making authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement No. 61, which are included in the Village's reporting entity.

Basis of Presentation

Government-Wide Financial Statements (GWFS):

GASB Statement No. 63 changed the title of Net Assets to Net Position along with standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. As required the Village has implemented GASB Statement No. 63.

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

**VILLAGE OF DODSON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements (FFS):**

The accounts of the Village are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The various funds of the Village are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria: a) total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type; and b) total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the Village are described as follows:

**Governmental Funds:**

**General Fund**—The General Fund, is the principal fund and is used to account for the operations of the Village's office. The Village's primary source of revenue is fines and forfeitures. Other major sources of revenue include ad valorem taxes levied by the Village, franchise taxes, licenses and state grants. General operating expenditures are paid from this fund.

**Proprietary Fund:**

**Enterprise Fund**—The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and

**VILLAGE OF DODSON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Village reports the general fund and the proprietary fund as major.

Eliminating Internal Activity—Interfund receivables and payables are eliminated in the Statements of Net Position and Balance Sheet except for the net residual amounts due between governmental and business-type activities where they are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they are allocated.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made.

Accrual Basis—Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. Both of these statements have been prepared using the economic 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 the exchange.

Modified Accrual Basis—Fund Financial Statements (FFS)

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. The Village considers all revenues available if they are collected 60 days after year end. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Assets Liabilities and Equity

Cash and Cash Equivalents—The Village's cash is considered to be the cash in demand deposits and interest bearing deposits. Cash equivalents include all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates.

**VILLAGE OF DODSON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

Capital Assets—The Village reports property and equipment in the governmental activities column in the GWFS. Capital assets are carried at historical or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized. In the FFS, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund as acquired. Capital assets in the proprietary fund are accounted for in the same manner as in GWFS.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The assets estimated useful lives are as follows:

Equipment and Vehicles	5 - 20 years
Utility System and Improvements	40 years
Buildings and Improvements	40 years
New Infrastructure (Road Overlay, Asphalt)	20 years

Compensated Absences—Employees are not allowed to carry leave forward from year to year, therefore, there is no entry made for compensated absences. In addition, the Village does not provide employee benefits beyond employment.

Equity Classifications—In the Government-Wide Financial Statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Invested in Capital Assets—Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position—Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position—All other net position that does not meet the definition of “restricted” or “invested in capital assets.”

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

**VILLAGE OF DODSON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

In the Fund Financial Statements, governmental fund equity is classified as fund balance. The Village has implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

As of June 30, 2019, the General Fund, the Village’s only major governmental fund, has a nonspendable fund balance of \$8,821 which represents prepaid expenses. The remaining fund balance of \$161,859 is classified as unassigned. If applicable, the Village would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

Budget

Prior to the beginning of each fiscal year, the Village adopts a budget for the next fiscal year. The budget is open for public inspection. All budgeted appropriations lapse at the end of each fiscal year. The budget is typically prepared on the modified accrual basis of accounting however the Village’s accountants stated the current year is on cash basis, thus requiring a reconciliation to accrual basis.

**VILLAGE OF DODSON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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 3—AD VALOREM TAXES**

The Village levies taxes on real and business personal property located within the boundaries of the Village. Property taxes are levied by the Village on property values assessed by the Winn Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Village levied the following ad valorem taxes for 2018:

	<u>Authorized</u>	<u>Levied</u>
General Corporate Purposes	6.37	6.37

The Village recognizes property tax revenues when levied. The property tax calendar is as follows:

Property Tax Calendar

Assessment Date	January 1
Levy Date	August 31
Tax Bills Mailed	October 15
Total Taxes Due	December 31
Penalties & Interest Added	January 31 of ensuing year
Lien Date	January 31 of ensuing year

**NOTE 4—CASH AND CASH EQUIVALENTS**

At June 30, 2019, the carrying amount of the Village’s cash and cash equivalents of governmental and enterprise funds (collected bank balances) totaled approximately \$330,168. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agents. These securities are held in the name of the pledging fiscal agent banks in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2019, the Village’s deposits were secured from risk by federal deposit insurance of \$250,000 and the remainder by securities pledged in the Village’s name by the fiscal agent bank with a market value greater than the remaining amount.

**VILLAGE OF DODSON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 5—REVENUES RECEIVABLE**

The following is a summary of receivables as of June 30, 2019:

	General Fund	Proprietary Fund
Fines & Forfeitures	\$ 62,711	
Ad Valorem Taxes	238	
Miscellaneous	1,663	
Water Charges	-	\$ 7,130
Sewer Charges	-	4,571
Total	<u>\$ 64,612</u>	<u>\$ 11,701</u>

The Fines and Forfeitures had an allowance for doubtful accounts in the amount of \$371,895, which has been netted against total receivable above. Historically, bad debts for other receivables have not been significant; therefore, no allowance for bad debts was recorded.

**NOTE 6—CAPITAL ASSETS**

Capital asset balances and activity for the year ended June 30, 2019 are as follows:

Governmental Activities	Balance 07/01/18	Additions	Deletions	Balance 06/30/19
Capital Assets—NonDepreciable:				
Land	\$ 5,500	\$ -	\$ -	\$ 5,500
Construction in Progress	<u>139,480</u>	<u>-</u>	<u>139,480</u>	<u>-</u>
Total NonDepreciable Assets	144,980	-	139,480	5,500
Capital Assets—Depreciable:				
Furniture and Equipment	471,592	1,854	-	473,446
Land Improvements	237,527	161,280	-	398,807
Buildings	<u>264,618</u>	<u>-</u>	<u>-</u>	<u>264,618</u>
Total Depreciable Assets	<u>973,737</u>	<u>163,134</u>	<u>-</u>	<u>1,136,871</u>
Total Capital Assets	<u>1,118,717</u>	<u>163,134</u>	<u>139,480</u>	<u>1,142,371</u>
Less Accumulated Depreciation:				
Furniture and Equipment	449,366	19,362	-	468,728
Land Improvements	53,874	12,548	-	66,422
Buildings	<u>206,623</u>	<u>3,494</u>	<u>-</u>	<u>210,117</u>
Total Accum. Depreciation	<u>709,863</u>	<u>35,404</u>	<u>-</u>	<u>745,267</u>
Net Capital Assets	<u>\$ 408,854</u>			<u>\$ 397,104</u>

**VILLAGE OF DODSON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

Business-type Activities	Balance <u>07/01/18</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06/30/19</u>
Capital Assets—NonDepreciable:				
Construction in Progress	\$ 2,000	\$ 20,800	\$ -	\$ 22,800
Capital Assets—Depreciable:				
Water System Equipment	179,997	3,405	-	183,402
Water Plant	775,220	-	-	775,220
Sewer System Equipment	89,592	-	-	89,592
Sewer Plant	<u>1,598,833</u>	<u>-</u>	<u>-</u>	<u>1,598,833</u>
Total Depreciable Assets	<u>2,643,642</u>	<u>3,405</u>	<u>-</u>	<u>2,647,047</u>
Total Capital Assets	<u>2,645,642</u>	<u>24,205</u>	<u>-</u>	<u>2,669,847</u>
Less Accumulated Depreciation:				
Water Equipment	100,612	3,963	-	104,575
Water Plant	245,064	19,380	-	264,444
Sewer System Equipment	89,592	-	-	89,592
Sewer Plant	<u>1,079,899</u>	<u>39,971</u>	<u>-</u>	<u>1,119,870</u>
Total Accum. Depreciation	<u>1,515,167</u>	<u>63,314</u>	<u>-</u>	<u>1,578,481</u>
Net Capital Assets	<u>\$1,130,475</u>			<u>\$1,091,366</u>

Depreciation expense for the year ended June 30, 2019 of \$35,404 is charged for Governmental activities. These charges went to the General Government function in the amount of \$10,285, Public Safety \$11,191 and \$13,928 for Public Works. Depreciation expense for the year ended June 30, 2019 of \$63,314 for the Business-type Activities the Utility Fund had \$23,343 charged to the Water expenditures and \$39,971 charged to Sewer expenditures.

**NOTE 7—PENSION PLAN**

All employees of the Village of Dodson, Louisiana are covered by the Social Security System. Employees contribute 6.2 percent of their total salary to the System, while the Village also contributes 6.2 percent. For the year ended June 30, 2019, the Village's portion contributed was approximately \$17,400. Any future deficit in this System will be financed by the United States Government.

**NOTE 8—PENDING LITIGATION**

At June 30, 2019, there was one outstanding suit noted as seeking damages against the management of the Village of Dodson. Although the outcome of this suit was not presently determinable, the opinion of management and their representation was that resolution of this matter would not create a liability in excess of insurance coverage that would have a material adverse effect on the financial condition of the Village.

**VILLAGE OF DODSON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9—RELATED PARTIES**

The Village had one identified related party with transactions for the year ended June 30, 2019. During the fiscal year ended June 30, 2019, the Village purchased approximately \$7,724 of parts from Dodson Equipment Co., Inc. after receiving permission from the ethics board.

**NOTE 10—COOPERATIVE ENDEAVORS**

The Village was party to a cooperative endeavor with the State of Louisiana Department of Transportation and Development to perform certain maintenance including mowing and litter pick up along the state roadways located within the Village of Dodson for the fiscal year ended June 30, 2019.

**NOTE 11—COMPENSATION PAID TO THE MAYOR & BOARD OF ALDERMEN**

For the fiscal year ended June 30, 2019 the following compensation was earned by the Village's management:

Richard Broomfield—Mayor	\$ 48,750
Danny Browning, first portion of fye	1,950
Karla Shively	4,225
Gary Robertson, current	1,950
Waymon Payne	<u>4,225</u>
Total	<u>\$ 61,100</u>

**NOTE 12—SUBSEQUENT EVENTS**

Management has evaluated events through October 8, 2019, the date which the financial statements were available for issue. There were no items to be reported as subsequent events, other than the following: Water Tank Repairs are Construction in Progress and the related Grant reimbursements have not yet closed out.

OTHER REQUIRED  
SUPPLEMENTARY INFORMATION

**VILLAGE OF DODSON**  
**BUDGETARY COMPARISON SCHEDULE—GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes:				
Ad Valorem	\$ 9,000	\$ 9,000	\$ 9,881	\$ 881
Franchise	12,000	10,500	6,833	( 3,667)
Licenses & Permits	15,000	7,000	18,354	11,354
Intergovernmental & Other Grants	-	123,250	129,103	( 14,147)
Fines & Forfeitures	325,000	300,000	333,394	33,394
Charges for Services	-	4,000	6,983	2,983
Miscellaneous:				
Interest & Other	20,300	6,650	3,984	( 2,666)
Rent	<u>3,800</u>	<u>3,500</u>	<u>5,400</u>	<u>1,900</u>
 Total Revenues	 <u>385,100</u>	 <u>483,900</u>	 <u>513,932</u>	 <u>30,032</u>
 <b>Expenditures:</b>				
General Government	331,408	299,260	272,263	26,997
Public Safety	136,000	125,000	129,282	( 4,282)
Public Works	6,000	4,200	4,537	( 337)
Capital Outlay	<u>10,000</u>	<u>115,000</u>	<u>138,180</u>	<u>( 23,180)</u>
 Total Expenditures	 <u>483,408</u>	 <u>543,460</u>	 <u>544,262</u>	 <u>( 802)</u>
 Excess (Deficiency) of Revenues Over Expenditures	 ( 98,308)	 ( 59,560)	 ( 30,330)	 29,230
 <b>Other Financing Sources/(Uses):</b>				
Transfers In	<u>-</u>	<u>-</u>	<u>18,954</u>	<u>18,954</u>
 Excess (Deficiency) of Revenues & Other Financing Sources over Expenditures & Other Financing Uses	 ( 98,308)	 ( 59,560)	 ( 11,376)	 48,184
 Fund Balance—Beginning of Year	 <u>206,845</u>	 <u>206,845</u>	 <u>206,845</u>	 <u>-</u>
 Fund Balance—End of Year	 <u>\$ 108,537</u>	 <u>\$ 147,285</u>	 <u>\$ 195,469</u>	 <u>\$ 48,184</u>

See Independent Auditor's Report.

**VILLAGE OF DODSON**  
**RECONCILIATION OF BUDGETARY COMPARISON SCHEDULE**  
**TO STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Differences between Actual Column on Budgetary Comparison Schedule and Totals on the Statement of Revenues, Expenditures, and Changes in Fund Balances—General Fund are as follows:

Total Revenues per Budgetary Comparison Schedule	\$ 513,932
Increase (Decrease) for Accrual Receivables:	
Ad Valorem Taxes	( 35)
Franchise Taxes	126
Grant	( 125,103)
Fines and Forfeitures	( 14,315)
Miscellaneous Other	<u>( 2,956)</u>
Total Revenues per Statement of Revenues	<u>\$ 371,649</u>
Total Expenditures per Budgetary Comparison Schedule	\$ 544,262
Increase (Decrease) for Accrual Payables/Prepaid Expenses:	
General Government	( 6,863)
Public Safety	2,860
Public Works	1,035
Capital Outlay	<u>( 114,526)</u>
Total Expenditures per Statement of Expenditures	<u>\$ 426,768</u>

See Independent Auditor's Report.

OTHER  
SUPPLEMENTARY INFORMATION

**VILLAGE OF DODSON**  
**SCHEDULE OF COMPENSATION FOR AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2019**

In accordance with Act 706 of 2014 as amended by Act 462 of the 2015 Legislative Session the following Schedule of Compensation, Reimbursements, Benefits and Other Payment to the Political Subdivision Head or Chief Executive Officers is presented.

The Village of Dodson is governed by a Mayor and Board of Aldermen. Their compensation as such is noted in the Note Disclosures. The additional payments noted to each of these as required per Act 706 for the fiscal year ended June 30, 2019, are as follows.

Payee	Purpose	Amount
Richard Broomfield	Seminar Registration	\$ 50
Gary Robertson	None Additional Noted	N/A
Karla Shively	None Additional Noted	N/A
Danny Browning	None Additional Noted	N/A
Waymon Payne	None Additional Noted	N/A

## COMPLIANCE AND OTHER MATTERS

# Shanna Jones, CPA

795 Big Creek Rd  
Winnfield, LA 71483  
792-8544

## 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 *GOVERNMENTAL AUDITING STANDARDS*

Mayor & Board of Aldermen  
Village of Dodson  
P.O. Box 86  
Dodson, Louisiana

I have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Village of Dodson, Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued my report thereon dated October 8, 2019. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S. and the *Louisiana Governmental Audit Guide*.

### **Internal Control Over Financial Reporting**

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item 19-01.

(Continued)

### **Compliance and Other Matters**

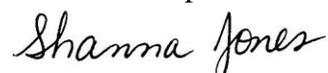
As part of obtaining reasonable assurance about whether Village of Dodson's financial statements are free from material misstatement, I performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 19-01.

### **Village of Dodson's Response to Finding**

Village of Dodson's response to the finding identified in my audit is described in the accompanying Schedule of Findings and Responses. Village of Dodson's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended for the information and use of the Louisiana Legislative Auditor, management of the Village of Dodson and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana R. S. 24:513 this report is a matter of public record and its distribution is not limited.



Shanna Jones, CPA  
Winnfield, Louisiana  
October 8, 2019

**VILLAGE OF DODSON**  
**SCHEDULE OF AUDIT FINDINGS AND RESPONSES**  
**YEAR ENDED JUNE 30, 2019**

**A. SUMMARY OF AUDIT RESULTS**

1. The Auditor's Report expresses an unmodified opinion on the financial statements of the Village of Dodson as of and for the year ended June 30, 2019.
2. There was one significant deficiency noted during the audit of the financial statements.
3. The audit disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*.

**B. FINDINGS IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS***

Significant Deficiency

19-01 Compliance with Regulatory Statutes—Cash Deposits

Finding—Louisiana R. S. 39:1212 requires daily cash deposits where practical, weekly when the depository is more than 10 miles away. In completing the SAUPs testing of deposits, it was noted that deposits did not tie to the system receipts. Upon further inquiry, the employees stated the monies for utilities and fines paid online are deposited to the general fund from the same collector and must be reconciled to cash and credit card deposits in the related systems. Upon further review, one deposit was omitted and still in cash bag/“drawer” as client appeared not to reconcile back to the systems' collections. The monies were subsequently deposited as the drawer had remained overstated by the apparent amount of which deposits were short: \$68.35. While this is an immaterial amount; it is an internal control failure.

Recommendation—The utility and fines software systems allows printing daily, weekly and monthly collection reports. These reports should be reviewed daily by clerks to ensure that bank deposits match with collections.

Management's Response—We will ensure that deposits are made in a timely manner sufficient to comply with Louisiana R. S. 39:1212 by daily tying system reports of collections to actual deposits.

**C. PRIOR YEAR FINDINGS**

None

# Shanna Jones, CPA

795 Big Creek Rd  
Winnfield, LA 71483  
792-8544

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING LOUISIANA LEGISLATIVE AUDITOR'S STATEWIDE AGREED-UPON PROCEDURES

To the Mayor & Aldermen  
of the Village of Dodson  
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the management of the Village of Dodson, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Dodson's compliance with certain laws and regulations during the fiscal year ended June 30, 2019, included in the *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures* (SAUPs). The Village's management is responsible for those control and compliance (C/C) areas identified in the SAUPs.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Governmental Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### WRITTEN POLICIES AND PROCEDURES

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - 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/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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, and (5) monitoring card usage
- 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 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.

In examining written procedures noted the following exceptions. No written policy noted for credit card or debt service; however entity has no true credit cards only store credit and no debt.

BOARD OR FINANCE COMMITTEE, if applicable

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.

Based on minutes provided, appears board met with a quorum at least monthly.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Noted no documentation showing periodic budget to actual comparisons other than adopting of amended budget.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

N/A

### BANK RECONCILIATIONS

3. Obtain a listing of client 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 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);  
Bank reconciliations appear to have been prepared and financial records approved at monthly meeting however no documentation evidencing date reconciled.
  - 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  
No exception noted.
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.  
No exception noted.

### COLLECTIONS

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 5 deposit sites (or all deposit sites if less than 5).  
Management provided listing and representation.
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. 5 collection locations for 5 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 that are responsible for cash collections do not share cash drawers/registers.  
Village stated clerk and assistant share a "drawer" to accept collections. Due to size, Village stated it is not cost effective to hire enough employees to segregate responsibilities including those related to cash depositing, recording and reconciling. To mitigate such risk the Village has a CPA firm review monthly bank statements and related accounting.

- 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.

Village has reconciliation worksheets to reconcile cash deposits to revenue source subsidiary ledgers; although worksheet and deposit prepared by clerk and assistant.

- 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.

Village clerk and assistant collect cash and post collection entries to general ledger and subsidiary ledgers as well as reconciling ledger postings. To mitigate risk the Village utilizes a CPA firm and keeps supporting records.

- 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 verifies the reconciliation.

Village has reconciliation worksheets to reconcile cash deposits to revenue source subsidiary ledgers; although prepared by clerk and assistant.

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Village stated clerk and assistant are bonded.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (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.

Tickets prenumbered, water and sewer system generate bills, ad valorem taxes prepared by Assessor, receipt booklet prenumbered and utilized for other receipts.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Noted deposits did not tie to the system receipts. Upon further inquiry, the employees stated the monies for utilities and fines paid online are deposited to the general fund from the same collector and must be reconciled to cash and credit card deposits in the related systems. Upon further review, one deposit was omitted and still in cash bag/ “drawer” as client appeared not to reconcile back to the systems’ collections. The monies were subsequently deposited as the drawer had remained overstated by the apparent amount of which deposits were short: \$68.35. While this is an immaterial amount; it is an internal control failure.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Exception noted, see (b) for details.

- d) Observe that 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).

Checks written could have been mailed. Appears selection was weekly deposited, except for omitted amount noted at (b).

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

Weekly deposits to the bank which were selected were traced from reconciling worksheets of collections and to the general ledger, with exception noted at (b).

#### 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 5 locations (or all locations if less than 5).

Obtained listing and representation letter.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll 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.

According to the clerk, employees request items needed, mayor tells clerk or employee to order and turn in receipts.

- b) At least two employees are involved in processing and approving payments to vendors.

Per policy clerk prepares checks while mayor and second signor, clerk or alderman, signs approval.

- 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.

It does not appear that the person responsible for processing payments is prohibited from adding vendors. However, supporting invoice was noted for each payment.

- 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.

Mayor has clerk mail checks. Again, supporting documentation was noted for purchases.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

No exception noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Appears that mayor, one board member and the clerk have signing authority. Clerk and assistant have responsibility for recording purchases while mayor has responsibility for initiating. Noted signature evidence and invoice support. Due to size, Village stated not cost effective to hire enough employees to segregate responsibilities including those related to disbursements. To mitigate such risk the Village has a CPA firm review monthly bank statements and related accounting.

#### 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.

Obtained listing and representation letter stating no credit or fuel cards. However two store credit cards utilized and tested.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) 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 that 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) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

On the selected statements noted no formal approval in writing by someone other than the authorized card holder. However, supporting invoices were noted and client indicates two signatures on check constitute approval.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No finance charges and/or late fees appear to have been assessed on the related statement.

13. Using the monthly statements or combined statements selected under #12 above, 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 that 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.

Receipt available with vendor notation of purchase. Business purpose (office, police, etc.) documented. No meal charges noted.

## TRAVEL AND EXPENSE REIMBURSEMENT (excluding card transactions)

13. 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 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

No exception noted.
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exception noted.
- c) Observe that 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).

No exception noted.
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Two signatures on check of someone other than recipient noted as written approval.

## 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 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- Obtained management representation and listing. Noted only construction related.
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law or Louisiana Procurement Code (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions noted.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions noted.
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

No exceptions noted.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

#### PAYROLL AND PERSONNEL

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained listing and representation.

No exception noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

No exception noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

No written documentation of approval noted other than signing of checks.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exception noted.

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

Obtained listing and representation. Noted no termination payments other than final regular pay as in accordance with written payroll leave policy and approved.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Obtained management's representation. While payroll reports appeared to be untimely for the first half of the fiscal year, noted client corrected and filed timely going forward.

## ETHICS

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.  
No exception noted.
  - Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.  
No exception noted.

## DEBT SERVICE (excluding nonprofits)

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.  
Obtained management's representation.  
No debt noted as outstanding during the fiscal period.
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).  
N/A

## OTHER

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.  
Obtained management's representation that no misappropriations of public funds or assets noted.
24. Observe that 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.  
Noted fraud hotline notice posted on premises.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C 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 Louisiana Legislative Auditor as a public document.

*Shanna Jones*

Shanna Jones, CPA  
Winnfield, Louisiana  
October 8, 2019

**VILLAGE OF DODSON**

P.O. BOX 86  
DODSON, LA 71422

October 8, 2019

Shanna Jones, CPA  
795 Big Creek Rd  
Winnfield, LA 71483

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period July 1, 2018 through June 30, 2019, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel-related expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas, as applicable.

Yes  No

2. For the fiscal period July 1, 2018 through June 30, 2019, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.

Yes  No

3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes  No

4. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes  No

5. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between June 30, 2019, and October 8, 2019.

Yes  No

6. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.

Yes  No

7. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.
- Yes  No
8. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.
- Yes  No
9. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.
- Yes  No
10. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.
- Yes  No
11. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.
- Yes  No
12. We represent that the 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, that we provided to you is complete.
- Yes  No
13. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.
- Yes  No
14. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.
- Yes  No
15. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.
- Yes  No

16. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.

Yes  No

17. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.

Yes  No

18. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.

Yes  No

19. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.

Yes  No

20. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.

Yes  No

21. We have responded fully to all inquiries made by you during the engagement.

Yes  No

22. We are not aware of any events that have occurred subsequent to June 30, 2019, that would require adjustment to or modification of the results of the agreed-upon procedures.

Yes  No

**The previous responses have been made to the best of our belief and knowledge.**

Signature  Date 10/8/19

Title Mayor