

VILLAGE OF RODESSA, LOUISIANA

FINANCIAL STATEMENTS

December 31, 2021

Marsha O. Millican  
A Professional Accounting Corporation  
Shreveport, Louisiana

VILLAGE OF RODESSA, LOUISIANA

TABLE OF CONTENTS  
December 31, 2021

	<u>Page</u>
Accountant's Review Report	1-2
Government-Wide Financial Statements	
Basic Financial Statements:	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statements	
Balance Sheet - Governmental Funds	5
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Statement of Net Position - Proprietary Funds	9
Statement of Revenues, Expenses, and Changes in Net Position- Proprietary Funds	10
Statement of Cash Flows - Proprietary Funds	11
Notes to Financial Statements	12-18
Required Supplementary Information:	
Schedule of Revenue, Expenditures, and Changes in Fund Balance of Governmental Funds - General Fund- Budget (GAAP) Basis and Actual	19
Justice System Funding Schedule - Collecting/Disbursing Schedule	20
Other Supplementary Information:	
Schedule of Compensation Paid to Mayor and Aldermen	21

VILLAGE OF RODESSA, LOUISIANA

TABLE OF CONTENTS

December 31, 2021

Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head	22
Independent Accountant's Report on Applying Agreed-Upon Procedures	23-25
Schedule of Findings	26
Corrective Action Taken on Prior Year Findings	27
Louisiana Attestation Questionnaire	28-30



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Mayor and Board of Aldermen  
Village of Rodessa  
Rodessa, Louisiana

I have reviewed the accompanying financial statements of the governmental activities, and major funds of Village of Rodessa, Louisiana, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

### **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.

### **Accountant's Responsibility**

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Village of Rodessa and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

### **Accountant's Conclusion**

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary information on page 19 be presented to supplement the basic financial statements. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. I have not audited, reviewed, or compiled the required supplementary information and I do not express an opinion, a conclusion, nor provide any assurance on it.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The results of my review of the basic financial statements are not affected by this missing information.

### Supplementary Information

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the basic financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying schedule of compensation paid to mayor and board of aldermen on page 21 and the schedule of compensation, benefits, and other payments to agency head or chief on page 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements. I have reviewed the information and based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the information and, accordingly, do not express an opinion on such information.

*Marsha O. Milligan*

Certified Public Accountant  
September 27, 2022

VILLAGE OF RODESSA, LOUISIANA  
STATEMENT OF NET POSITION  
December 31, 2021

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets			
Cash	\$ 9,065	\$ 2,585	\$ 11,650
Accounts receivable	12,268	4,194	16,462
Total Current Assets	<u>21,333</u>	<u>6,779</u>	<u>28,112</u>
Noncurrent Assets			
Due from other funds	4,241	-	4,241
Restricted cash	-	21,441	21,441
Capital assets, net	235,476	1,498,212	1,733,688
Total Noncurrent Assets	<u>239,717</u>	<u>1,519,653</u>	<u>1,759,370</u>
Total Assets	<u>261,050</u>	<u>1,526,432</u>	<u>1,787,482</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
 LIABILITIES AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	1,111	784	1,895
Unearned revenue	6,550	11,026	17,576
Due to other funds	-	4,241	4,241
Total current liabilities	<u>7,661</u>	<u>16,051</u>	<u>23,712</u>
Noncurrent Liabilities			
Long-term debt, net of current portion	-	-	-
Customer deposits	-	10,095	10,095
Total Noncurrent liabilities	<u>-</u>	<u>10,095</u>	<u>10,095</u>
Total liabilities	<u>7,661</u>	<u>26,146</u>	<u>33,807</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
 NET POSITION			
Investment in capital assets, Net of related debt	235,476	1,498,212	1,733,688
Unrestricted	17,913	2,074	19,987
Total Net Position	<u>\$ 253,389</u>	<u>\$ 1,500,286</u>	<u>\$ 1,753,675</u>

See accompanying notes and accountant's review report.

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

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary Government						
Governmental Activities						
General Government	\$ 53,023	\$ -	\$ 28,450	\$ (24,573)	\$ -	\$ (24,573)
Public Safety	16,616	19,895	-	3,279	-	3,279
Interest	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Depreciation	17,843	-	-	(17,843)	-	(17,843)
Total Governmental Activities	<u>87,482</u>	<u>19,895</u>	<u>28,450</u>	<u>(39,137)</u>	<u>-</u>	<u>(39,137)</u>
Business-Type Activities						
Utility Fund	121,674	59,052	76,467	-	13,845	13,845
Total Business-Type Activities	<u>121,674</u>	<u>59,052</u>	<u>76,467</u>	<u>-</u>	<u>13,845</u>	<u>13,845</u>
Total Primary Government	<u>\$ 209,156</u>	<u>\$ 78,947</u>	<u>\$ 104,917</u>	(39,137)	13,845	(25,292)
General Revenues						
Taxes				22,818	-	22,818
Licenses				24,906	-	24,906
Intergovernmental				-	-	-
Donations				-	-	-
Miscellaneous				9,222	64	9,286
Total General Revenues and Transfers				<u>56,946</u>	<u>64</u>	<u>57,010</u>
Change in Net Position				17,809	13,909	31,718
Net Position, Beginning of Year				<u>235,580</u>	<u>1,486,377</u>	<u>1,721,957</u>
Net Position, End of Year				<u>\$ 253,389</u>	<u>\$ 1,500,286</u>	<u>\$ 1,753,675</u>

See accompanying notes and accountant's review report.

VILLAGE OF RODESSA, LOUISIANA  
BALANCE SHEET  
GENERAL FUND  
December 31, 2021

---

---

ASSETS	
Cash	\$ 9,065
Taxes receivable	12,268
Due from other funds	4,241
Other receivables	<u>-</u>
Total Assets	<u>\$ 25,574</u>
LIABILITIES AND FUND BALANCE	
Accounts payable and accruals	\$ 1,111
Unearned revenue	<u>6,550</u>
Total Liabilities	7,661
Fund Balance	
Unassigned	<u>17,913</u>
Total Fund Balance	<u>17,913</u>
Total Liabilities and Fund Balances	<u>\$ 25,574</u>

See accompanying notes and accountant's review report.

VILLAGE OF RODESSA, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2021

---

---

Total Fund Balance for Governmental Funds	\$ 17,913
Total Net Position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	235,476
Certain liabilities, such as debt, are not due and payable in the current period and therefore are not reported in the funds	<u>-</u>
Total Net Position of Governmental Activities	<u>\$ 253,389</u>

See accompanying notes and accountant's review report.

VILLAGE OF RODESSA, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

<b>Revenues:</b>	
Occupational Licenses	\$ 9,024
Advalorem Taxes	5,340
Franchise Taxes	15,882
Intergovernmental	28,450
Police Fines	19,895
Sales Taxes	17,478
Other Income	<u>9,222</u>
Total Revenues	<u>105,291</u>
<b>Expenditures:</b>	
General Government	81,543
Public Safety	<u>16,636</u>
Debt Service:	
Principal	-
Interest	<u>-</u>
Total Expenditures	<u>98,179</u>
Net changes in fund balance	7,112
Fund Balance, Beginning of Year	<u>10,801</u>
Fund Balances, End of Year	<u><u>\$ 17,913</u></u>

See accompanying notes and accountant's review report.

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

---

---

Net changes in Fund Balances - Total Government Funds	\$ 7,112
The change in Net Position reported for governmental activities in the statement of activities is different because:	
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 ( \$28,540) exceeds depreciation (\$17,843) in the current period.	10,697
Payments on debt are recorded as expenditures in the funds, but are reported in the statement of net position as a reduction of liabilities	<u>-</u>
Changes in Net Position of Governmental Activities	<u><u>\$ 17,809</u></u>

See accompanying notes and accountant's review report.

VILLAGE OF RODESSA, LOUISIANA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
December 31, 2021

Assets	
Current Assets	
Cash	\$ 2,585
Accounts receivable	4,194
Due from other funds	-
Total Current Assets	6,779
Noncurrent Assets	
Restricted cash	21,441
Capital Assets, Net	1,498,212
Total Noncurrent Assets	1,519,653
Total Assets	1,526,432
Deferred Outflows of Resources	
	-
Liabilities and Net Position	
Liabilities	
Accounts payable and accruals	\$ 784
Unearned revenue	11,026
Due to other funds	4,241
Total Current Liabilities	16,051
Noncurrent Liabilities	
Customer deposits	10,095
Total Noncurrent Liabilities	10,095
Total Liabilities	26,146
Deferred Inflows of Resources	
	-
Net Position	
Investments in capital assets, Net of related debt	1,498,212
Unrestricted	2,074
Total Net Position	\$ 1,500,286

See accompanying notes and accountant's review report.

**VILLAGE OF RODESSA, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION -**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>OPERATING REVENUES</b>	
Charges for Services	\$ 59,052
Miscellaneous	-
Total Operating Revenues	59,052
 <b>OPERATING EXPENSES</b>	
Personal Services	9,116
Utilities	8,075
Repair and maintenance	29,893
Other supplies and expenses	19,323
Depreciation	55,267
Total Operating Expenses	121,674
 Change in Net Position before other financing sources	 (62,622)
 <b>OTHER FINANCING SOURCES:</b>	
Grants	76,467
Interest	64
	76,531
 Change in Net Position	 13,909
 Net Position, Beginning of Year	 1,486,377
 Net Position, End of Year	 \$ 1,500,286

See accompanying notes and accountant's review report.

VILLAGE OF RODESSA, LOUISIANA  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE  
YEAR ENDED DECEMBER 31, 2021

Cash flows from operating activities:	
Cash received from customers	\$ 59,785
Cash payments to suppliers and employees	(56,610)
Net cash provided by operating activities	3,175
Cash flows from investing activities:	
Proceeds from sale of equipment	-
Book value of equipment sold	-
Purchase of fixed assets	(70,133)
Net cash used by investing activities	(70,133)
Cash flows from financing activities:	
Grant Revenue	76,467
Interest	64
Net cash provided by financing activities	76,531
Increase (Decrease) in cash	9,573
Cash, January 1, 2021 (including \$11,305 in restricted accounts)	14,453
Cash, December 31, 2021 (including \$21,441 in restricted accounts)	\$ 24,026
Reconciliation of changes in net position to net cash provided by operating activities:	
Changes in net assets before other financing sources	(62,622)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	55,267
Changes in assets and liabilities	
Decrease in accounts receivable	733
Decrease in accounts payable	(19)
Increase in unearned revenue	11,026
Decrease in customer deposits	(1,210)
	\$ 3,175

See accompanying notes and accountant's review report.

VILLAGE OF RODESSA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

The Village of Rodessa, Louisiana was incorporated under the provisions of the Lawrason Act. The Village operates under a Mayor-Aldermen form of government. The Village's major operations includes general administrative services, public safety and utilities.

**NOTE 1                    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A.            Basis of Accounting**

The accompanying financial statements of Village of Rodessa have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June, 1999.

**B.            Reporting Entity**

GASB Statement 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, Village of Rodessa 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 bond debt.

**C.            Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position page 2, and the Statement of Activities, page 3) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the business-type activities, which rely, to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include a) charges to customers or applicants who purchase, use or directly benefit from goods, services privileges provided by a given function or segment, and b) 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.

Separate financial statements are provided for governmental funds and proprietary funds.

VILLAGE OF RODESSA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D.                      Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

Ad valorem 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 revenue in the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales and use tax revenues are recorded in the month collected by the tax collector. All other revenue items are considered to be measurable and available only when the cash is received by the government.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishment, long-term proceeds, et cetera) are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

Village of Rodessa reports the following governmental and proprietary funds:

**Governmental Funds**

Governmental funds account for all or most of Village of Rodessa's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term obligations.

General Fund - is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. General tax revenues and other sources of revenue used to finance the fundamental operations of the Village are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.

VILLAGE OF RODESSA , LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D.                      Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Proprietary Funds**

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Village of Rodessa applies all GASB pronouncements as well the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**Enterprise Fund** - is used to account for operations a) that are financed/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 the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include a) charges to customers or applicants for goods, services, or privileges provided, b) operating grants and contributions, and c) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Formal budgetary accounting is employed as a management control. Village of Rodessa prepares and adopts a budget each year for its general and utility funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Village amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more. All budget appropriations lapse at year end.

VILLAGE OF RODESSA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 1                    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F.                    Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Village defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes 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. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

**G.                    Receivables**

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

**H.                    Bad Debts**

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the collectability of the particular receivable. At December 31, 2021, \$-0- of Governmental and Business-Type Activities receivables were considered to be uncollectible.

**I.                    Capital Assets**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased that have a useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Position. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and other improvements, and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

**J.                    Sales Taxes**

The Village collects a one (1) percent sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated to construction, acquiring, extending, improving and/or maintaining drainage facilities, streets, street lighting facilities, bridges, sidewalks, waterworks, sewers and sewer disposal works, recreational facilities, public parks, public buildings and equipment, payment of salaries of municipal employees, maintaining and operating the municipal police department including the purchase of equipment thereof, or for any one or more of said purposes, title to which improvements shall be in the public.

VILLAGE OF RODESSA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 1                    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K.            Compensated Absences**

Leave cannot be accumulated or carried over from one year to the next. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

**L.            Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2    DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**A.           Deposits with Financial Institutions**

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the Village may deposit funds within a fiscal agent bank selected and designated by the Village Council. Further, the fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts 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 bank. These pledged securities are held in the name of the pledging fiscal agent in a holding or custodial bank that is mutually acceptable to both parties. The carrying amount of the Village's deposits at December 31, 2021 was \$15,891 including petty cash of \$185 was as follows:

Cash in Banks	\$	15,891
Investments		-
Total	\$	15,891

Bank balances at December 31, 2021 totaled \$26,208 and were secured as follows:

Secured by FDIC Insurance	\$	26,208
Collateralized by securities pledged in the Village's name		-
Total	\$	26,208

VILLAGE OF RODESSA, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

**NOTE 3      ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at December 31, 2021:

	Governmental Activities	Business-Type Activities	Total
Taxes	\$ 12,268	\$ -	\$ 12,268
Other	-	-	-
Charges for services	-	4,194	4,194
Total.	<u>\$ 12,268</u>	<u>\$ 4,194</u>	<u>\$ 16,462</u>

**NOTE 4      CAPITAL ASSETS**

A summary of Village of Rodessa's capital assets at December 31, 2021 follows:

	Balance 1/1/2021	Additions	Retirements	Balance 12/31/2021
<b>Government Activities</b>				
Capital Assets, not being depreciated				
Land	\$ 4,660	\$ -	\$ -	\$ 4,660
Work in Progress	-	28,540	-	28,540
Total Capital Assets, not being depreciated	<u>4,660</u>	<u>28,540</u>	<u>-</u>	<u>33,200</u>
Capital Assets, being depreciated				
Buildings and other improvements	575,610	-	-	575,610
Less accumulated depreciation	(368,103)	(15,052)	-	(383,155)
Total Buildings and other improvements	<u>207,507</u>	<u>(15,052)</u>	<u>-</u>	<u>192,455</u>
Equipment and other assets	62,857	-	-	62,857
Less accumulated depreciation	(50,245)	(2,791)	-	(53,036)
Total Equipment , Furniture & Fixtures	<u>12,612</u>	<u>(2,791)</u>	<u>-</u>	<u>9,821</u>
Total Capital Assets, being depreciated	<u>220,119</u>	<u>(17,843)</u>	<u>-</u>	<u>202,276</u>
<b>Governmental Activities</b>				
Total Capital Assets, net	<u>\$ 224,779</u>	<u>\$ 10,697</u>	<u>\$ -</u>	<u>\$ 235,476</u>
<b>Business-Type Activities</b>				
Capital Assets, not being depreciated				
Land	\$ -	\$ -	\$ -	\$ -
Total Capital Assets, not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets, being depreciated				
Distribution System	2,757,936	70,133	-	2,828,069
Less accumulated depreciation	(1,292,488)	(53,344)	-	(1,345,832)
Total Distribution System	<u>1,465,448</u>	<u>16,789</u>	<u>-</u>	<u>1,482,237</u>
Equipment, furniture & fixtures	36,151	-	-	36,151
Less accumulated depreciation	(18,253)	(1,923)	-	(20,176)
Total Equipment , Furniture & Fixtures	<u>17,898</u>	<u>(1,923)</u>	<u>-</u>	<u>15,975</u>
Total Capital Assets, being depreciated	<u>1,483,346</u>	<u>14,866</u>	<u>-</u>	<u>1,498,212</u>
<b>Business-Type Activities</b>				
Total Capital Assets, net	<u>\$ 1,537,248</u>	<u>\$ 14,866</u>	<u>\$ -</u>	<u>\$ 1,498,212</u>
<b>Primary Government</b>				
Total Capital Assets, net	<u>\$ 1,779,870</u>	<u>\$ 25,563</u>	<u>\$ -</u>	<u>\$ 1,733,688</u>

VILLAGE OF RODESSA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021

**NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS**

The following is a summary of accounts payable at December 31, 2021:

	Governmental Activities	Business-Type Activities	Total
Vendor	\$ 1,111	\$ 784	\$ 1,895
Payroll taxes	-	-	-
Construction	-	-	-
Total	\$ 1,111	\$ 784	\$ 1,895

**NOTE 6 LEASES**

Village of Rodessa was not obligated under any operating lease commitments at December 31, 2021.

**NOTE 7 RISK MANAGEMENT**

Village of Rodessa is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village.

VILLAGE OF RODESSA, LOUISIANA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
GENERAL FUND  
BUDGET (GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Taxes, Licenses, and Permits	\$ 36,575	\$ 50,035	\$ 47,724	\$ (2,311)
Police Fines	21,500	19,500	19,895	395
Intergovernmental	-	-	28,450	28,450
Miscellaneous	9,242	10,322	9,222	(1,100)
Total Revenues	<u>67,317</u>	<u>79,857</u>	<u>105,291</u>	<u>25,434</u>
<b>Expenditures</b>				
General Government	55,070	66,018	81,543	(15,525)
Public Safety	11,890	13,611	16,636	(3,025)
Total Expenditures	<u>66,960</u>	<u>79,629</u>	<u>98,179</u>	<u>(18,550)</u>
<b>Net Changes in Fund Balances</b>				
before Other Sources	357	228	7,112	6,884
<b>Other Sources</b>				
Transfers (to) from Other Funds	-	-	-	-
Total Other Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	357	228	7,112	6,884
Fund Balances, Beginning of Year	<u>10,801</u>	<u>10,801</u>	<u>10,801</u>	<u>-</u>
Fund Balances, End of year	<u>\$ 11,158</u>	<u>\$ 11,029</u>	<u>\$ 17,913</u>	<u>\$ 6,884</u>

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

	First Six Month Period End <u>December 31, 2021</u>	Second Six Month Period Ended <u>December 31, 2021</u>
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 1,947	\$ -
Add: Collections		
Criminal Fines-Other	<u>12,721</u>	<u>7,291</u>
Subtotal Collections	<u>12,721</u>	<u>7,291</u>
Less: Disbursements to Governments & Nonprofits		
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund	520	40
Louisiana Commission on Law Enforcement	1,362	224
Louisiana Supreme Court-Judicial College	2	1
Louisiana Association of Chiefs of Police	4	1
North Louisiana Criminalistics Laboratory	320	150
Caddo Parish Juvenile Justice	695	120
Less: Amounts Retained by the Collecting Agency		
Criminal Fines-Other	<u>11,765</u>	<u>6,638</u>
Subtotal Disbursements/Retainage	<u>14,668</u>	<u>7,174</u>
Total: Ending Balance of Amounts Collected but not Disbursed (i.e. cash on hand)	<u>\$ -</u>	<u>\$ 117</u>

See accompanying notes to the financial statements.

VILLAGE OF RODESSA, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO  
MAYOR AND ALDERMEN

For the Year Ended December 31, 2021

Paul Lockard, Mayor	\$ 1,420
Ben House	-
Kay McDuff	-
Dan Harville	<u>280</u>
Total	<u>\$ 1,700</u>

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

Agency Head: Honorable Paul Lockard, Mayor

Salary	<u>\$ 1,420</u>
Payroll Taxes	<u>\$ 109</u>
Reimbursements	<u>\$ 253</u>



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Mayor and Board of Aldermen  
Village of Rodessa  
Rodessa, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Village of Rodessa (the Village) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended December 31, 2021 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. 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.

### Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$250,000 and determine whether such purchases were made in accordance with LSA-RS 38:221-2296.(the public bid law).

There were no expenditures made during the year ended December 31, 2021 exceeding \$30,000 for materials and supplies or \$250,000 for public works.

### Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124, and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by the District in (3) appeared on the list provided by the Village in (2).

### Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided a copy of the original and amended budget.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes of a meeting held on December 14, 2020. I traced the adoption of the amended budget to the minutes of a meeting held on December 13, 2021.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

I compared the revenues and expenditures of the amended budget to actual revenues and expenditures. Actual revenues were within the 5% variance allowed. Actual expenditures were more than 5% of budgeted amounts.

### Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

( a ) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for six selected disbursements and found that payments were for the proper amount and made to the correct payee.

( b ) determine if payments were properly coded to the correct fund and general ledger account; and

The six selected disbursements were properly coded to the correct fund and general ledger account.

( c ) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the proper authorities.

### Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12.

The Village is only required to post a notice of each meeting and the accompanying agenda on the door of the building where the meeting is held. Management has informed me that these documents were properly posted.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

I inspected all bank deposit slips for the period under examination and noted no deposits that which appeared to be proceeds of bank loans, bonds, or like indebtedness in the financial statements.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the Village for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payment to employees which would constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

12. Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

My prior year compilation report, dated December 4, 2021, includes an unresolved matter of inadequate segregation of duties due to limited personnel.

Also included in my prior year compilation report dated December 4, 2021 is a failure to pay Mayor's court costs as required by R.S. 33:441. This matter has been resolved.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Village of Rodessa and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Marsha D. Mulhearn*

Certified Public Accountant  
September 27, 2022

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

Finding #2021-1: The segregation of duties is inadequate.

Criteria: Effective internal control requires the segregation of duties.

Condition: The segregation of duties is inadequate to provide effective internal control. This is a repeat finding.

Cause: The condition is due to space and economic limitations.

Effect: Unknown.

Recommendation: Whether or not it would be cost effective to correct a condition is not a factor in reporting requirements under accounting standards generally accepted in the United States of America. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all conditions reported under accounting standards generally accepted in the United States of America. In this case, both management and the independent accountant do not believe that correcting the condition described above is cost effective or practical, and, accordingly, do not believe that any corrective action is necessary.

Management's Response and Corrective Action Plan: We agree with the finding. We will make every effort to segregate duties as allowed by space and economic limitations.

Finding #2021-2 The Village is not in compliance with the state budget law.

Criteria: State law requires the budget be amended when actual expenses exceed budgeted expenses by 5% or more.

Condition: Although the budget was amended, actual expenses exceeded budgeted amounts by more than 5%.

Cause: Unknown.

Effect: The Village is not in compliance with state law.

Recommendation: I recommend the Village comply with state law.

Management's Response and Corrective Action Plan: We agree with the finding. We will amend the budget as required by state law in the future.

VILLAGE OF RODESSA, LOUISIANA  
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2021

FINDING # 2020-1:

The segregation of duties is inadequate to provide effective internal control.

Status: No action was recommended and none was taken.

FINDING # 2020-2:

The Village is not in compliance with R.S. 33:441.

Status: Resolved.



We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1A.(2); and that were subject to the public bid law (R.S.38:221, et seq.) While the agency was not in compliance with R.S.24:513 (the audit law). Yes [X] No [ ]

We have complied with R.S. 24:513A.(3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer. Yes [X] No [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:28. Yes [X] No [ ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65. Yes [X] No [ ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729. Yes [X] No [ ]

**Prior Year Comments**

We have resolved all prior-year recommendations and/or comments. Yes [ ] No [X]

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations. Yes [X] No [ ]

We have evaluated our compliance with these laws and regulations prior to making these representations. Yes [X] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. Yes [X] No [ ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures. Yes [X] No [ ]

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. Yes [X] No [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report. Yes [X] No [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report. Yes [X] No [ ]

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

<u><i>Paul W. Zappala</i></u>	Mayor	<u><i>06/27/22</i></u>	Date
<u><i>Jan Harville</i></u>	Alderman	<u><i>06/27/22</i></u>	Date
<u><i>Ray McDuff</i></u>	Alderman	<u><i>06/27/22</i></u>	Date