

VILLAGE OF RIDGECREST, LOUISIANA  
ANNUAL FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2018  
AND FOR THE YEAR THEN ENDED  
WITH  
INDEPENDENT ACCOUNTANT'S REVIEW REPORT



**SILAS SIMMONS** LLP  
CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

VILLAGE OF RIDGECREST, LOUISIANA

Annual Financial Statements  
As of and for the Year Ended December 31, 2018  
With Supplementary Information Schedules

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VILLAGE OF RIDGECREST, LOUISIANA

Annual Financial Statements  
As of and for the Year Ended December 31, 2018  
With Supplementary Information Schedules

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

### **Report on the Financial Statements**

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Ridgecrest, Louisiana as of and for the year ended December 31, 2018, which collectively comprise the Village's basic financial statements, as listed in the table of contents, and the related notes to the financial statements. 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, we 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**

Our 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 us to perform procedures to obtain limited assurance as a basis for reporting whether we are 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. We believe the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are 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.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and pages 26 through 28 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. We have not audited or reviewed such required supplementary information and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

The accompanying management's discussion and analysis and budgetary comparison information has been reviewed by us, and based on our review, we are 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. We have not audited the information and, accordingly, do not express an opinion on such information.

### **Other Supplementary Information**

The Compensation of the Governing Board and the Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. We have not audited or reviewed such information, and we do not express an opinion, a conclusion, nor provide any assurance on it.

A handwritten signature in cursive script that reads "Silas Simms, LLP".

Natchez, Mississippi  
June 24, 2019

**SECTION I**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF RIDGECREST, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

The management of Village of Ridgecrest, Louisiana offers readers of Village of Ridgecrest, Louisiana's (the Village) financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal years ended December 31, 2018 and 2017. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the report.

#### **FINANCIAL HIGHLIGHTS**

- Assets exceeded liabilities by \$1,190,647 and \$1,202,860 in 2018 and 2017, respectively.
- Net position decreased by \$7,398 in 2018 and increased by \$6,521 in 2017.
- The Village had net capital assets of \$753,757 and \$799,432 in 2018 and 2017, respectively.
- The Village had payroll of \$78,495 and \$67,058 in 2018 and 2017, respectively.

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

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

The government-wide financial statements can be found on pages 8 through 9 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The basic governmental fund financial statements can be found on pages 10 through 16 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 25 of this report.

**VILLAGE OF RIDGECREST, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

	Governmental Activities	Business-Type Activities	Totals	
			2018	2017
Current assets	\$ 32,051	\$ 92,237	\$ 124,288	\$ 105,176
Noncurrent assets	863,304	233,939	1,097,243	1,127,997
Total assets	<u>\$ 895,355</u>	<u>\$ 326,176</u>	<u>\$ 1,221,531</u>	<u>\$ 1,233,173</u>
Current liabilities	\$ 17	\$ 3,359	\$ 3,376	\$ 4,587
Long-term liabilities	-	27,508	27,508	25,726
Total liabilities	<u>\$ 17</u>	<u>\$ 30,867</u>	<u>\$ 30,884</u>	<u>\$ 30,313</u>
Net position				
Invested in capital assets	\$ 545,388	\$ 208,369	\$ 753,757	\$ 799,432
Restricted for streets and drainage	317,916	-	317,916	301,876
Restricted for meter deposits	-	25,570	25,570	23,788
Unassigned	32,034	61,370	93,404	77,764
Total net position	<u>\$ 895,338</u>	<u>\$ 295,309</u>	<u>\$ 1,190,647</u>	<u>\$ 1,202,860</u>

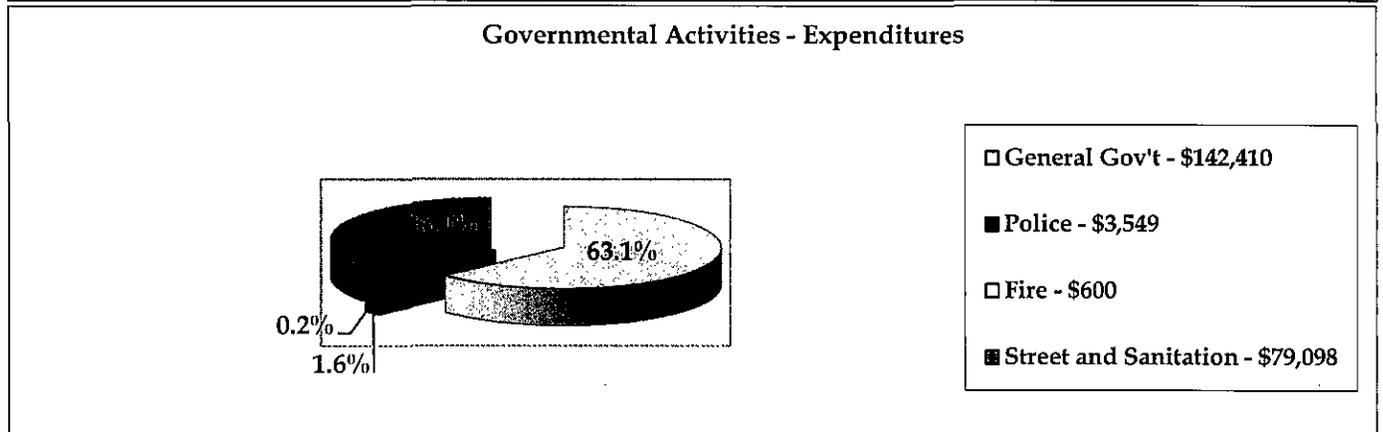
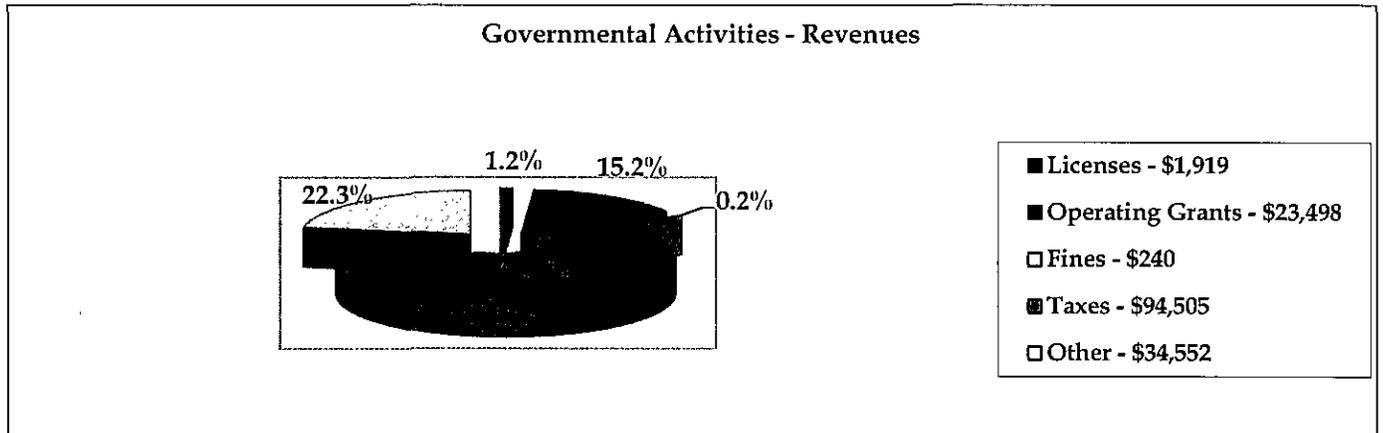
The following is a comparative summary of the statement of activities:

	Governmental Activities	Business-Type Activities	Totals	
			2018	2017
Revenues:				
Program revenues	\$ 25,657	\$ 206,233	\$ 231,890	\$ 223,381
Transfers	64,816	(64,816)	-	-
Taxes and other	129,057	-	129,057	151,349
Total revenues and transfers	<u>\$ 219,530</u>	<u>\$ 141,417</u>	<u>\$ 360,947</u>	<u>\$ 374,730</u>
Expenses:				
General and administrative	\$ 142,410	\$ -	\$ 142,410	\$ 117,598
Public safety	4,149	-	4,149	10,578
Street and sanitation	79,098	-	79,098	102,550
Utility operations	-	142,668	142,668	137,483
Total expenditures	<u>\$ 225,657</u>	<u>\$ 142,668</u>	<u>\$ 368,325</u>	<u>\$ 368,209</u>
Increase (decrease) in net position	\$ (6,127)	\$ (1,251)	\$ (7,378)	\$ 6,521
Net position - January 1	\$ 906,300	\$ 296,560	\$ 1,202,860	\$ 1,196,339
Prior period adjustment	(4,835)	-	(4,835)	-
Net position - January 1, 2018, restated	<u>\$ 901,465</u>	<u>\$ 296,560</u>	<u>\$ 1,198,025</u>	<u>\$ 1,196,339</u>
Net position - December 31	<u>\$ 895,338</u>	<u>\$ 295,309</u>	<u>\$ 1,190,647</u>	<u>\$ 1,202,860</u>

**VILLAGE OF RIDGECREST, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

The following are graphical representations of information presented in the statement of activities for governmental activities for the year 2018:



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

**Business-Type Activities**

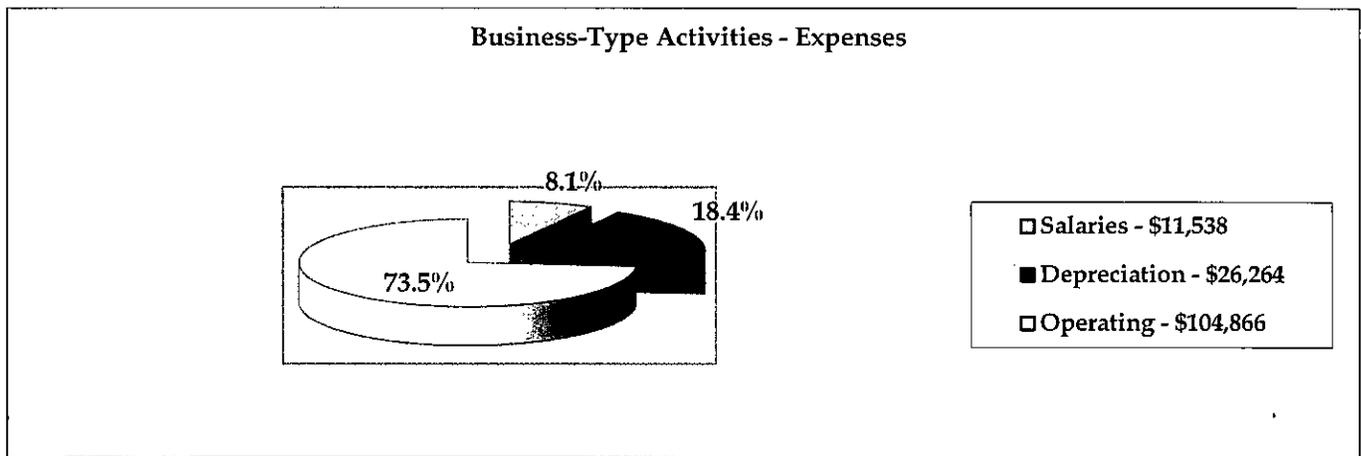
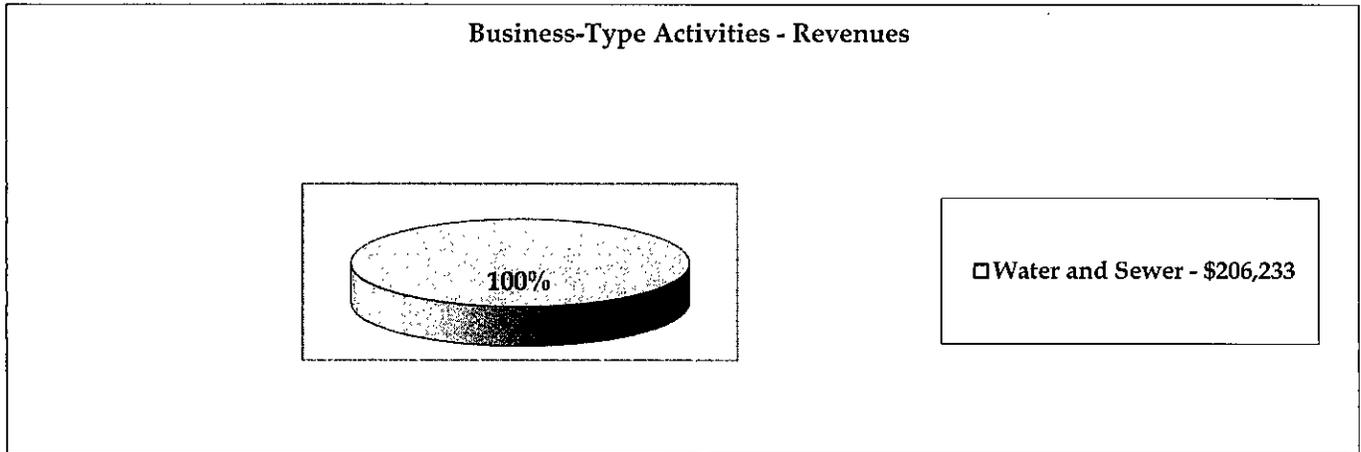
The business-type activities of the Village are those that charge a fee to customers for the services provided. The Village has two business-type activities (water and sewer) which are accounted for in the enterprise fund.

VILLAGE OF RIDGECREST, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Business-Type Activities (continued)

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



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

**VILLAGE OF RIDGECREST, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

**Comments on General Fund Budget Comparisons**

The Village's general fund budget was amended once during the last year. The budgeted expenditures were \$176,392, and the budgeted revenues were \$118,598.

Actual revenues were under budgeted amounts by \$3,887. Actual expenditures were under budgeted amounts by \$800.

**Comments on Public Works Fund Budget Comparisons**

The Village's public works fund budget was amended once during the last year. The budgeted expenditures were \$28,000, and the budgeted revenues were \$40,000.

Actual revenues were over budgeted amounts by \$110. Actual expenditures were under budgeted amounts by \$1,145.

**CAPITAL ASSETS**

As of December 31, 2018, the Village had capital assets of \$545,388 in the governmental activities and \$208,369 in the business-type activities.

**REQUEST FOR INFORMATION**

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

**SECTION II**  
**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**VILLAGE OF RIDGECREST, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Current assets			
Cash and cash equivalents	\$ 31,468	\$ 70,743	\$ 102,211
Receivables, net	583	21,494	22,077
Total current assets	<u>\$ 32,051</u>	<u>\$ 92,237</u>	<u>\$ 124,288</u>
Noncurrent assets			
Restricted			
Cash and cash equivalents	\$ 315,131	\$ 25,570	\$ 340,701
Receivables, net	2,785	-	2,785
Capital assets	545,388	208,369	753,757
Total noncurrent assets	<u>\$ 863,304</u>	<u>\$ 233,939</u>	<u>\$ 1,097,243</u>
Total assets	<u>\$ 895,355</u>	<u>\$ 326,176</u>	<u>\$ 1,221,531</u>
<b><u>LIABILITIES</u></b>			
Current liabilities			
Accounts and other payables	\$ 17	\$ 3,359	\$ 3,376
Total current liabilities	<u>\$ 17</u>	<u>\$ 3,359</u>	<u>\$ 3,376</u>
Noncurrent liabilities			
Customer deposits	\$ -	\$ 27,508	\$ 27,508
Total liabilities	<u>\$ 17</u>	<u>\$ 30,867</u>	<u>\$ 30,884</u>
<b><u>NET POSITION</u></b>			
Invested in capital assets	\$ 545,388	\$ 208,369	\$ 753,757
Restricted for streets and drainage	317,916	-	317,916
Restricted for meter deposits	-	25,570	25,570
Unassigned	32,034	61,370	93,404
Total net position	<u>\$ 895,338</u>	<u>\$ 295,309</u>	<u>\$ 1,190,647</u>

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

VILLAGE OF RIDGECREST, LOUISIANA  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		Total
		Fees, Fines, and Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	
<b><u>GOVERNMENTAL ACTIVITIES</u></b>						
General government	\$ 142,410	\$ 1,919	\$ 23,498	\$ (116,993)	\$ -	\$ (116,993)
Public safety						
Police	3,549	240	-	(3,309)	-	(3,309)
Fire	600	-	-	(600)	-	(600)
Sanitation	34,937	-	-	(34,937)	-	(34,937)
Road maintenance	44,161	-	-	(44,161)	-	(44,161)
Total governmental activities	<u>\$ 225,657</u>	<u>\$ 2,159</u>	<u>\$ 23,498</u>	<u>\$ (200,000)</u>	<u>\$ -</u>	<u>\$ (200,000)</u>
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>						
Water and sewer	<u>\$ 142,668</u>	<u>\$ 206,233</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,565</u>	<u>\$ 63,565</u>
<b>Total</b>	<u>\$ 368,325</u>	<u>\$ 208,392</u>	<u>\$ 23,498</u>	<u>\$ (200,000)</u>	<u>\$ 63,565</u>	<u>\$ (136,435)</u>
General Revenues:						
Taxes						
Property taxes				\$ 7,983	\$ -	\$ 7,983
Sales taxes				72,293	-	72,293
Beer taxes				610	-	610
Franchise taxes				13,619	-	13,619
Miscellaneous				34,552	-	34,552
Transfers				64,816	(64,816)	-
Total general revenues and transfers				<u>\$ 193,873</u>	<u>\$ (64,816)</u>	<u>\$ 129,057</u>
Change in net position				<u>\$ (6,127)</u>	<u>\$ (1,251)</u>	<u>\$ (7,378)</u>
Net position -- January 1, 2018				\$ 906,300	\$ 296,560	\$ 1,202,860
Prior period adjustment				(4,835)	-	(4,835)
Net position -- January 1, 2018, restated				<u>\$ 901,465</u>	<u>\$ 296,560</u>	<u>\$ 1,198,025</u>
Net position -- December 31, 2018				<u>\$ 895,338</u>	<u>\$ 295,309</u>	<u>\$ 1,190,647</u>

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

**SECTION III**  
**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

**VILLAGE OF RIDGECREST, LOUISIANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2018**

	<u>Major Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Public Works Fund</u>	
<b><u>ASSETS</u></b>			
Cash	\$ 31,468	\$ -	\$ 31,468
Cash - restricted	-	315,131	315,131
Receivables:			
Ad valorem tax	583	-	583
Sales tax - restricted	-	2,785	2,785
Total assets	<u>\$ 32,051</u>	<u>\$ 317,916</u>	<u>\$ 349,967</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts and other payables	\$ 17	\$ -	\$ 17
Total liabilities	<u>\$ 17</u>	<u>\$ -</u>	<u>\$ 17</u>
Fund balances:			
Restricted for streets and drainage	\$ -	\$ 317,916	\$ 317,916
Unassigned	32,034	-	32,034
Total fund balances	<u>\$ 32,034</u>	<u>\$ 317,916</u>	<u>\$ 349,950</u>
Total liabilities and fund balances	<u>\$ 32,051</u>	<u>\$ 317,916</u>	<u>\$ 349,967</u>

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

**VILLAGE OF RIDGECREST, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

Total Fund Balances for Governmental Funds (Statement C)	\$ 349,950
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Land	1,700
Buildings, net of \$52,852 accumulated depreciation	10,150
Equipment, net of \$441,779 accumulated depreciation	8,806
Infrastructure, net of \$319,481 accumulated depreciation	<u>524,732</u>
Total Net Position of Governmental Activities (Statement A)	<u>\$ 895,338</u>

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

**VILLAGE OF RIDGECREST, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Major Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Public Works Fund</u>	
<b><u>REVENUES</u></b>			
Taxes	\$ 54,511	\$ 39,994	\$ 94,505
Licenses and permits	1,919	-	1,919
Intergovernmental			
State funds	23,498	-	23,498
Fines and forfeitures	240	-	240
Other	<u>34,552</u>	<u>-</u>	<u>34,552</u>
Total revenues	<u>\$ 114,720</u>	<u>\$ 39,994</u>	<u>\$ 154,714</u>
<b><u>EXPENDITURES</u></b>			
Current			
General government	\$ 136,894	\$ -	\$ 136,894
Public safety			
Police	3,161	-	3,161
Fire	600	-	600
Sanitation	34,937	-	34,937
Road maintenance	-	23,055	23,055
Capital outlay	<u>-</u>	<u>3,800</u>	<u>3,800</u>
Total expenditures	<u>\$ 175,592</u>	<u>\$ 26,855</u>	<u>\$ 202,447</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (60,872)</u>	<u>\$ 13,139</u>	<u>\$ (47,733)</u>
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers in	<u>\$ 64,816</u>	<u>\$ -</u>	<u>\$ 64,816</u>
Total other financing sources	<u>\$ 64,816</u>	<u>\$ -</u>	<u>\$ 64,816</u>
Net change in fund balance	<u>\$ 3,944</u>	<u>\$ 13,139</u>	<u>\$ 17,083</u>
Fund balances, beginning of year	\$ 32,925	\$ 304,777	\$ 337,702
Prior period adjustment	<u>(4,835)</u>	<u>-</u>	<u>(4,835)</u>
Fund balances, beginning of year, restated	<u>\$ 28,090</u>	<u>\$ 304,777</u>	<u>\$ 332,867</u>
Fund balances, end of year	<u>\$ 32,034</u>	<u>\$ 317,916</u>	<u>\$ 349,950</u>

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

**VILLAGE OF RIDGECREST, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Net change in fund balances, total governmental funds (Statement E) \$ 17,083

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

This is the amount by which depreciation exceeded capital outlays in the current period:

Capital outlays	3,800
Depreciation expense	<u>(27,010)</u>

Total change in net position per statement of activities (Statement B) \$ (6,127)

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

**PROPRIETARY FUNDS**

**VILLAGE OF RIDGECREST, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2018**

<b>ASSETS</b>	<u>Utility Fund</u>
Current assets	
Cash and cash equivalents	\$ 70,743
Accounts receivable, net of allowance	<u>21,494</u>
Total current assets	<u>\$ 92,237</u>
Noncurrent assets	
Restricted assets:	
Cash and cash equivalents	\$ 25,570
Capital assets, net of accumulated depreciation	<u>208,369</u>
Total noncurrent assets	<u>\$ 233,939</u>
Total assets	<u>\$ 326,176</u>
 <b><u>LIABILITIES</u></b>	
Current liabilities (payable from current assets)	
Accounts and other payables	\$ 3,359
Noncurrent liabilities (payable from restricted assets)	
Customers' deposits	<u>27,508</u>
Total liabilities	<u>\$ 30,867</u>
 <b><u>NET POSITION</u></b>	
Invested in capital assets, net of related debt	\$ 208,369
Restricted for meter deposits	25,570
Unassigned	<u>61,370</u>
Total net position	<u>\$ 295,309</u>

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

VILLAGE OF RIDGECREST, LOUISIANA  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Major Fund</u>
	<u>Utility Fund</u>
<b><u>OPERATING REVENUES</u></b>	
Charges for services	\$ 206,233
Total operating income	\$ 206,233
<b><u>OPERATING EXPENSES</u></b>	
Salaries	\$ 11,538
Operating expenses	104,866
Depreciation	26,264
Total operating expenses	\$ 142,668
<b>Operating Income</b>	\$ 63,565
<b>Other Financing Uses</b>	
Transfers out	\$ (64,816)
<b>Change in Net Position</b>	\$ (1,251)
Net position, beginning of year	296,560
Net position, end of year	\$ 295,309

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

**VILLAGE OF RIDGECREST, LOUISIANA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Cash Flows from Operating Activities**

Cash received from customers	\$ 205,007
Cash payments to suppliers for goods and services	(103,945)
Cash payments to employees for services	<u>(11,538)</u>
Net cash provided by operating activities	<u>\$ 89,524</u>

**Cash Flows from Noncapital Financing Activities**

Operating transfers to other funds	\$ (64,816)
Increase in consumer deposits	<u>1,782</u>
Net cash used for noncapital financing activities	<u>\$ (63,034)</u>

**Cash Flows from Capital and Related Financing Activities**

Purchase of fixed assets	\$ (3,799)
Net cash used for capital and related financing activities	<u>\$ (3,799)</u>

Net increase in cash and cash equivalents \$ 22,691

Cash and cash equivalents, beginning of year 73,622

Cash and cash equivalents, end of year \$ 96,313

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

Operating income \$ 63,565

**Adjustments to Reconcile Operating Income  
to Net Cash Provided by Operating Activities**

Depreciation	26,264
Change in assets and liabilities	
Increase in accounts receivable	(1,226)
Decrease in accounts payable	<u>921</u>

Net cash provided by operating activities \$ 89,524

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

**NOTES TO THE FINANCIAL STATEMENTS**

**VILLAGE OF RIDGECREST, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**INTRODUCTION**

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

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**VILLAGE OF RIDGECREST, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. Government-Wide and Fund Financial Statements (continued)**

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

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

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

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

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

The municipality reports the following major governmental funds:

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

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

The municipality reports the following major proprietary fund:

The Proprietary Fund accounts for all financial resources used in the water and sewer enterprises operated by the Village.

**VILLAGE OF RIDGECREST, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

**C. Deposits and Investments**

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

**D. Receivables and Payables**

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

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

**VILLAGE OF RIDGECREST, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Receivables and Payables (continued)**

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

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

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

**E. Inventories and Prepaid Items**

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

**F. Restricted Assets**

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

**G. Capital Assets**

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

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

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Streets and parking areas	40 years
Buildings	40 years
Equipment	5-15 years

**VILLAGE OF RIDGECREST, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. Compensated Absences**

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

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. At December 31, 2018, there was no liability for compensated absences recorded.

**I. Fund Equity**

Beginning with fiscal year 2011, the Village implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

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

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

**VILLAGE OF RIDGECREST, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. Estimates**

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

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

*Budget Information* - The municipality uses the following budget practices:

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

**NOTE 3 - CASH AND CASH EQUIVALENTS**

The following is a summary of cash and cash equivalents (book balances) at December 31, 2018:

Demand deposits	\$ <u>442,912</u>
-----------------	-------------------

**VILLAGE OF RIDGECREST, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTE 3 - CASH AND CASH EQUIVALENTS (continued)**

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

At December 31, 2018, the primary government has \$425,126 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance.

**NOTE 4 - RECEIVABLES**

The following is a summary of current receivables for December 31, 2018:

	Governmental Activities	Business- Type Activities	Total
Ad valorem taxes	\$ 583	\$ -	\$ 583
Utilities	-	21,494	21,494
Total	<u>\$ 583</u>	<u>\$ 21,494</u>	<u>\$ 22,077</u>

**NOTE 5 - CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2018, is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 1,700	\$ -	\$ -	\$ 1,700
Total capital assets not being depreciated	<u>\$ 1,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,700</u>
Capital assets being depreciated				
Buildings	\$ 63,002	\$ -	\$ -	\$ 63,002
Equipment	446,785	3,800	-	450,585
Streets	844,213	-	-	844,213
Total capital assets being depreciated	<u>\$ 1,354,000</u>	<u>\$ 3,800</u>	<u>\$ -</u>	<u>\$ 1,357,800</u>
Less accumulated depreciation for				
Buildings	\$ (52,127)	\$ (725)	\$ -	\$ (52,852)
Equipment	(436,600)	(5,179)	-	(441,779)
Streets	(298,375)	(21,106)	-	(319,481)
Total accumulated depreciation	<u>\$ (787,102)</u>	<u>\$ (27,010)</u>	<u>\$ -</u>	<u>\$ (814,112)</u>
Total capital assets being depreciated, net	<u>\$ 566,898</u>	<u>\$ (23,210)</u>	<u>\$ -</u>	<u>\$ 543,688</u>
Governmental activities capital assets	<u>\$ 568,598</u>	<u>\$ (23,210)</u>	<u>\$ -</u>	<u>\$ 545,388</u>

**VILLAGE OF RIDGECREST, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTE 5 - CAPITAL ASSETS (continued)**

Depreciation expense of \$27,010 for 2018 was charged as follows:

General government	\$ 5,516
Police	388
Streets	<u>21,106</u>
Total depreciation	<u>\$ 27,010</u>

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 15,000	\$ -	\$ -	\$ 15,000
Capital assets being depreciated				
Equipment	\$ 1,232,075	\$ 3,799	\$ -	\$ 1,235,874
Less accumulated depreciation for				
Equipment	<u>(1,016,241)</u>	<u>(26,264)</u>	<u>-</u>	<u>(1,042,505)</u>
Total capital assets being depreciated, net	<u>\$ 215,834</u>	<u>\$ (22,465)</u>	<u>\$ -</u>	<u>\$ 193,369</u>
Business-type activities net assets	<u>\$ 230,834</u>	<u>\$ (22,465)</u>	<u>\$ -</u>	<u>\$ 208,369</u>

**NOTE 6 - PROPERTY TAXES**

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

**NOTE 7 - RESTRICTED NET POSITION**

Governmental activities:	
Streets and drainage	<u>\$ 317,916</u>
Business-type activities	
Customer meter deposits	<u>\$ 25,570</u>

**NOTE 8 - ACCOUNTS AND OTHER PAYABLES**

Accounts and other payables at December 31, 2018, are as follows:

	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Accounts	\$ -	\$ 3,113	\$ 3,113
Payroll taxes	<u>17</u>	<u>246</u>	<u>263</u>
Total	<u>\$ 17</u>	<u>\$ 3,359</u>	<u>\$ 3,376</u>

**VILLAGE OF RIDGECREST, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTE 9 - RETIREMENT COMMITMENTS**

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

**NOTE 10 - RISK MANAGEMENT**

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

**NOTE 11 - PRIOR PERIOD ADJUSTMENT**

The Village recorded a prior period adjustment during the year in the General Fund. See adjustment description below:

(General Fund)

To remove old accounts receivable tied to garbage revenue.

	<u>As Previously Stated</u>	<u>As Restated</u>	<u>Effect of Correction</u>
Statement of fund balance			
Accounts receivable	\$ 5,418	\$ 583	\$ (4,835)
Total fund balance	<u>\$ 5,418</u>	<u>\$ 583</u>	<u>\$ (4,835)</u>

**SECTION IV**  
**ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF RIDGECREST, LOUISIANA**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 72,700	\$ 62,250	\$ 54,502	\$ (7,748)
Licenses and permits	2,500	1,800	1,919	119
Intergovernmental	20,000	22,500	23,498	998
Fines	200	250	240	(10)
Miscellaneous	5,550	31,798	34,552	2,754
Total revenues	<u>\$ 100,950</u>	<u>\$ 118,598</u>	<u>\$ 114,711</u>	<u>\$ (3,887)</u>
<b>Expenditures</b>				
General government	\$ 136,400	\$ 128,792	\$ 136,894	\$ (8,102)
Public safety:				
Police	2,230	1,550	3,161	(1,611)
Fire	5,630	11,050	600	10,450
Sanitation	40,000	35,000	34,937	63
Total expenditures	<u>\$ 184,260</u>	<u>\$ 176,392</u>	<u>\$ 175,592</u>	<u>\$ 800</u>
(Deficiency) of revenues over expenditures	<u>\$ (83,310)</u>	<u>\$ (57,794)</u>	<u>\$ (60,881)</u>	<u>\$ 3,087</u>
Other financing sources:				
Operating transfers in	\$ 80,000	\$ 64,000	\$ 64,816	\$ 816
Total other financing sources	<u>\$ 80,000</u>	<u>\$ 64,000</u>	<u>\$ 64,816</u>	<u>\$ 816</u>
Net changes in fund balances	\$ (3,310)	\$ 6,206	\$ 3,935	\$ (2,271)
Fund balance, beginning	29,665	29,665	29,665	-
Fund balance, ending	<u>\$ 26,355</u>	<u>\$ 35,871</u>	<u>\$ 33,600</u>	<u>\$ (2,271)</u>

See Independent Accountant's Review Report.

**VILLAGE OF RIDGECREST, LOUISIANA**  
**BUDGETARY COMPARISON SCHEDULE - PUBLIC WORKS FUND**  
**YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes and other	\$ 40,000	\$ 40,000	\$ 40,110	\$ 110
Total revenues	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 40,110</u>	<u>\$ 110</u>
<b>Expenditures</b>				
Road maintenance	\$ 33,500	\$ 28,000	\$ 26,855	\$ 1,145
Total expenditures	<u>\$ 33,500</u>	<u>\$ 28,000</u>	<u>\$ 26,855</u>	<u>\$ 1,145</u>
Excess of revenues over expenditures	<u>\$ 6,500</u>	<u>\$ 12,000</u>	<u>\$ 13,255</u>	<u>\$ 1,255</u>
Other financing sources:				
Operating transfers (out) in	\$ 1,000	\$ 100	\$ -	\$ (100)
Total other financing sources	<u>\$ 1,000</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ (100)</u>
Net changes in fund balances	\$ 7,500	\$ 12,100	\$ 13,255	\$ 1,155
Fund balance, beginning	<u>301,876</u>	<u>301,876</u>	<u>301,876</u>	<u>-</u>
Fund balance, ending	<u>\$ 309,376</u>	<u>\$ 313,976</u>	<u>\$ 315,131</u>	<u>\$ 1,155</u>

See Independent Accountant's Review Report.

**VILLAGE OF RIDGECREST, LOUISIANA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

Budgetary Comparison Schedule

1. Basis of Presentation

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

2. Budget Amendments and Revisions

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

3. Budget/GAAP Basis Reconciliation

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

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

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

	<u>General Fund</u>	<u>Public Works Fund</u>
Net changes in fund balance - budget basis Increase (decrease)	\$ 3,935	\$ 13,255
Net adjustments for revenue accruals	9	(116)
Net adjustments for expenditure accruals	-	-
Net change in fund balance - GAAP basis	<u>\$ 3,944</u>	<u>\$ 13,139</u>

See Independent Accountant's Review Report.

**SECTION V**  
**OTHER SUPPLEMENTARY INFORMATION**

**VILLAGE OF RIDGECREST, LOUISIANA  
COMPENSATION OF THE GOVERNING BOARD  
YEAR ENDED DECEMBER 31, 2018**

The Governing Board of Village of Ridgecrest, Louisiana consists of a Mayor and five Aldermen. For the year ended December 31, 2018, the Aldermen's compensation was as follows:

Robert Maples	\$	1,800
Connie Adair		1,800
Darlene Humphries		1,800
Edwin Lawrence		1,800
Rita Bolyer		<u>1,800</u>
Total	\$	<u><u>9,000</u></u>

See Independent Accountant's Review Report.

**VILLAGE OF RIDGECREST, LOUISIANA  
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS,  
AND OTHER PAYMENTS TO AGENCY HEAD  
YEAR ENDED DECEMBER 31, 2018**

Agency Head Name: Bobby Sheppard, Mayor

Salary	\$ 7,200
Reimbursements	<u>456</u>
Total	<u>\$ 7,656</u>

See Independent Accountant's Review Report.

**SECTION VI  
SCHEDULE OF FINDINGS**

VILLAGE OF RIDGECREST, LOUISIANA  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**SECTION 1: SUMMARY OF ACCOUNTANT'S RESULTS**

Financial statements:

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

**VILLAGE OF RIDGECREST, LOUISIANA  
STATUS OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**2017-1                    Segregation of Duties (Internal Control Finding)**

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

Criteria:             Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving, and check-writing.

Cause of Condition: Small entity with very few employees.

Effect of Condition: Material weakness in internal controls.

Recommendation: We recommend that the Village continue to provide the necessary oversight in its internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

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

**2017-2                    General Fund Expenditures (Compliance Finding)**

Condition:            The Village’s General Fund’s expenditures exceeded its budgeted amount by 10% The budgeted amount of expenditures was \$183,890, and the actual expenditures were \$165,761. Louisiana Revised Statute 39:1311 requires that expenditures not exceed the budget by more than 5%.

Criteria:             Louisiana statute says that government’s expenditures must not surpass the budgeted amount of 5% or more.

Cause:                There were unanticipated increases in general operating expenses that the Village was not able to make adjustments for in time.

Effect:                Material weakness in internal controls.

Recommendation: We recommend that management review the budget-to-actual regularly during the year to ensure that the 5% threshold is not surpassed.

Response:            Management will work on this for fiscal year 2018.

**VILLAGE OF RIDGECREST, LOUISIANA  
STATUS OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

None

Section III - Management Letter:

None

VILLAGE OF RIDGECREST, LOUISIANA  
CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2018

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

2018-1            Segregation of Duties (Internal Control Finding)

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

Criteria:             Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving, and check-writing.

Cause of Condition: Small entity with very few employees.

Effect of Condition: Material weakness in internal controls.

Recommendation: We recommend that the Village continue to provide the necessary oversight in its internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

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

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

None

Section III – Management Letter:

None

**LOUISIANA ATTESTATION QUESTIONNAIRE**

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Governmental Agencies)**

\_\_\_\_\_ (Date Transmitted)

\_\_\_\_\_ (CPA Firm Name)

\_\_\_\_\_ (CPA Firm Address)

\_\_\_\_\_ (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of \_\_\_\_\_ (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [ ] No [ ]

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

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [ ] No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [ ] No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [ ] No [ ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [ ] No [ ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [ ] No [ ]

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [ ] No [ ]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [ ] No [ ]

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [ ] No [ ]

### Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [ ] 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 R.S. 39:1410.60-1410.65.

Yes [ ] 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, R.S. 14:138, and AG opinion 79-729.

Yes [ ] No [ ]

### Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [ ] No [ ]

### 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 [ ] No [ ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [ ] 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 [ ] No [ ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [ ] 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 your report.

Yes [ ] 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 [ ] No [ ]

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

\_\_\_\_\_ Secretary \_\_\_\_\_ Date

\_\_\_\_\_ Treasurer \_\_\_\_\_ Date

\_\_\_\_\_ President \_\_\_\_\_ Date

**AGREED-UPON PROCEDURES REPORT**



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**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Management of the Village of Ridgecrest, Louisiana and the  
Legislative Auditor, State of Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Village of Ridgecrest, Louisiana 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, 2018, included in the accompanying Louisiana Attestation Questionnaire. Management of the Village is responsible for its financial records and compliance with applicable laws and regulations. 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 *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representations 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. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000 and public works exceeding \$154,450. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable, and report whether these expenditures had been made in accordance with these laws.

There were no expenditures for materials or supplies exceeding \$30,000, and no expenditure was made for public works exceeding \$154,450.

*Code of Ethics for Public Officials and Public Employees*

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the required list for the five board members.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the required list.

4. Report whether any employees' names appeared on both lists obtained in Procedures 2 and 3.

No employees' names appeared on both lists provided to us.

5. Obtain a list of all disbursements made during the year and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

No vendors appeared on both lists provided to us.

#### *Budgeting*

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

Management provided us with a copy of the original budget and the amended budget.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The budget was approved by the Board of Aldermen. We traced the adoption of the amended budget to the minutes of a meeting held on December 11, 2018, which indicated the budget had been approved by the aldermen.

8. Compare the revenues and expenditures of the final budget to the actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more and whether actual expenditures exceeded budgeted expenditures by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total.)

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues were less than budgeted revenues by less than 5%. Actual expenditures were less than budgeted expenditures.

#### *Accounting and Reporting*

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and report:

- a. Whether the six disbursements agree to the amount and payee in the supporting documentation;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- b. Report whether the six disbursements are coded to the correct fund and general ledger account; and

All of the six payments were properly coded to the correct fund and general ledger account.

- c. Report whether the six disbursements were approved in accordance with management's policies and procedures.

Per review of cancelled checks and supporting documentation, it was noted that the appropriate approval signature for payment of the invoices was not present.

*Meetings*

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

The Village is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building. We could find no evidence supporting or denying such assertion. Minutes of meetings were being advertised.

*Debt*

11. Obtain bank deposit slips for the fiscal year and scan the deposit slips in order to identify and report whether there are any deposits that appear to be the proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission and report any exceptions.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits appeared to be proceeds of bank loans, bonds, or like indebtedness.

*Advances and Bonuses*

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments, or approval of payments to employees that may constitute bonuses, advances, or gifts.

We obtained and scanned a list of payroll disbursements and meeting minutes and noted no apparent bonuses, advances, or gifts.

*State Audit Law*

13. Report whether the Village provided for a timely report in accordance with R.S. 24:513.

The Village provided for a timely report.

14. Inquire of management and report whether the Village entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A(2); and that were subject to the public bid law (R.S. 38:2211 et seq.), while the Village was not in compliance with R.S. 24:513 (the audit law).

The Village is in compliance with R.S. 24:513 (the audit law).

*Prior Comments and Recommendations*

15. Obtain and report management's representation as to whether any prior-year suggestions, recommendations, and/or comments have been resolved.

There are no comments or unresolved matters in the current year.

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

This report is intended solely for the use of management of Village of Ridgecrest, Louisiana and the Legislative Auditor, State of Louisiana, 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 Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Silas Simms, LLP*

Natchez, Mississippi  
June 24, 2019

VILLAGE OF RIDGECREST, LOUISIANA  
SCHEDULE OF EXCEPTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2018

Reference No. \_\_\_\_\_ Description of Exception \_\_\_\_\_

Accounting and Reporting

Procedure 9c                      Per review of cancelled checks and supporting documentation, it was noted that the appropriate approval signature for payment of the invoices was not present.

Management failed to complete and sign the Louisiana Attestation Questionnaire.

Management's Response

We have reviewed the Supplemental Schedule of Agreed-Upon Procedures and Findings for the year ended December 31, 2018, and agree to the exceptions noted. It is our intent to correct the exception in order to be in compliance with the LLA's guidelines proposed in the report.