

VILLAGE OF RODESSA, LOUISIANA

FINANCIAL STATEMENTS

December 31, 2019

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

VILLAGE OF RODESSA, LOUISIANA

TABLE OF CONTENTS

December 31, 2019

	<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 Sheets 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	
Required Supplementary Information:	12-18
Schedule of Revenue, Expenditures, and Changes in Fund Balance of Governmental Funds - General Fund- Budget (GAAP) Basis and Actual	19
Other Supplementary Information:	
Schedule of Compensation Paid to Mayor and Aldermen	20
Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head	21

VILLAGE OF RODESSA, LOUISIANA

TABLE OF CONTENTS

December 31, 2019

	<u>Page</u>
Independent Accountant's Report on Applying Agreed-Upon Procedures	22-24
Schedule of Findings	25
Corrective Action Taken on Prior Year Findings	26
Louisiana Attestation Questionnaire	27-29



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Honorable Paul Lockard, Mayor
And Members of the Board of Aldermen
Village of Rodessa, Louisiana

I 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 Rodessa, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. 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.

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.

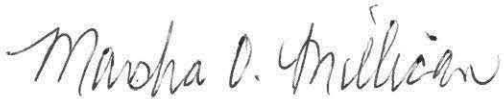
Required Supplementary Information

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 Aldermen on page 20 and the Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 21 are presented for purposes of additional analysis and are 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.



Certified Public Accountant
June 30, 2020

VILLAGE OF RODESSA, LOUISIANA
STATEMENT OF NET POSITION
December 31, 2019

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets			
Cash	\$ 4,752	\$ 3,921	\$ 8,673
Accounts receivable	-	5,270	5,270
Taxes receivable	6,572		6,572
Grants receivable	8,243	-	8,243
Total Current Assets	<u>19,567</u>	<u>9,191</u>	<u>28,758</u>
Noncurrent Assets			
Due from other funds	4,241	-	4,241
Restricted cash	-	10,819	10,819
Capital assets, net	242,622	1,537,248	1,779,870
Total Noncurrent Assets	<u>246,863</u>	<u>1,548,067</u>	<u>1,794,930</u>
Total Assets	<u>266,430</u>	<u>1,557,258</u>	<u>1,823,688</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
 LIABILITIES AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	9,048	-	9,048
Due to other funds	-	4,241	4,241
Total current liabilities	<u>9,048</u>	<u>4,241</u>	<u>13,289</u>
Noncurrent Liabilities			
Customer deposits		10,819	10,819
Total Noncurrent liabilities	<u>-</u>	<u>10,819</u>	<u>10,819</u>
Total liabilities	<u>9,048</u>	<u>15,060</u>	<u>24,108</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
 NET POSITION			
Investment in capital assets, Net of related debt	242,622	1,537,248	1,779,870
Unrestricted	14,760	4,950	19,710
Total Net Position	<u>\$ 257,382</u>	<u>\$ 1,542,198</u>	<u>\$ 1,799,580</u>

See accompanying notes and accountant's review report.

VILLAGE OF RODESSA, LOUISIANA

STATEMENT OF ACTIVITIES

December 31, 2019

	<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	\$ 221,783	\$ -	\$ 159,470	\$ (62,313)	\$ -	\$ (62,313)
Public Safety	9,489	-	-	(9,489)	-	(2,873)
Interest	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Depreciation	17,698	-	-	(17,698)	-	(17,698)
Total Governmental Activities	<u>248,970</u>	<u>-</u>	<u>159,470</u>	<u>(89,500)</u>	<u>-</u>	<u>(89,500)</u>
Business-Type Activities						
Utility Fund	100,613	60,524	180,570	-	140,481	(47,686)
Total Business-Type Activities	<u>100,613</u>	<u>60,524</u>	<u>180,570</u>	<u>-</u>	<u>140,481</u>	<u>(47,686)</u>
Total Primary Government	<u>\$ 349,583</u>	<u>\$ 60,524</u>	<u>\$ 340,040</u>	(89,500)	140,481	(137,186)
General Revenues						
Taxes				33,751	-	33,751
Licenses				10,065	-	9,841
Intergovernmental				-	-	6,000
Miscellaneous				9,220	-	9,220
Police Fines				21,800	-	21,800
Total General Revenues and Transfers				<u>74,836</u>	<u>-</u>	<u>80,612</u>
Change in Net Position				(14,664)	140,481	(56,574)
Net Position, Beginning of Year				<u>272,046</u>	<u>1,401,717</u>	<u>1,649,079</u>
Net Position, End of Year				<u>\$ 257,382</u>	<u>\$ 1,542,198</u>	<u>\$ 1,799,580</u>

See accompanying notes and accountant's review report.

VILLAGE OF RODESSA, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 4,752	\$ -	\$ 4,752
Taxes receivable	6,572	-	6,572
Grants receivable	-	8,243	8,243
Due from other funds	4,241	-	4,241
	<u>15,565</u>	<u>8,243</u>	<u>23,808</u>
Total Assets	\$ 15,565	\$ 8,243	\$ 23,808
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 805	\$ 8,243	\$ 9,048
Unearned revenue	-	-	-
	<u>805</u>	<u>8,243</u>	<u>9,048</u>
Total Liabilities	805	8,243	9,048
Fund Balances			
Assigned	-	-	-
Unassigned	14,760	-	14,760
	<u>14,760</u>	<u>-</u>	<u>14,760</u>
Total Fund Balance	14,760	-	14,760
Total Liabilities and Fund Balances	\$ 15,565	\$ 8,243	\$ 23,808

See accompanying notes and independent 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, 2019

Total Fund Balance for Governmental Funds	\$ 14,760
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.	242,622
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>\$ 257,382</u>

See accompanying notes and independent 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, 2019

	General Fund	Capital Project Fund	Total
Revenues:			
Occupational Licenses	\$ 10,065	\$ -	\$ 10,065
Advalorem Taxes	4,689	-	4,689
Franchise Taxes	11,652	-	11,652
Police Fines	21,800	-	21,800
Sales Taxes	17,410	-	17,410
Rental Income	9,192	-	9,192
Interest Income	28	-	28
Grant Revenue	-	159,470	159,470
Total Revenues	74,836	159,470	234,306
Expenditures:			
General Government	62,313	-	62,313
Public Safety	11,989	-	11,989
Capital Outlays	-	159,470	159,470
Total Expenditures	74,302	159,470	233,772
Net changes in fund balance	534	-	534
Fund Balance, Beginning of Year	14,226	-	14,226
Fund Balances, End of Year	14,760	\$ -	14,760

See accompanying notes and independent 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, 2019

Net changes in Fund Balances - Total Government Funds	\$ 534
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 depreciation(\$17,698) exceeds capital outlay (\$2,500 in the current period.	(15,198)
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>\$ (14,664)</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF RODESSA, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2019

Assets		
Current Assets		
Cash	\$	3,921
Accounts receivable		5,270
Due from other funds		-
Total Current Assets		9,191
Noncurrent Assets		
Restricted cash		10,819
Capital Assets, Net		1,537,248
Total Noncurrent Assets		1,548,067
Total Assets		1,557,258
Deferred Outflows of Resources		
		-
Liabilities and Net Position		
Liabilities		
Accounts payable and accruals	\$	-
Due to other funds		4,241
Total Current Liabilities		4,241
Noncurrent Liabilities		
Customer deposits		10,819
Total Noncurrent Liabilities		10,819
Total Liabilities		15,060
Deferred Inflows of Resources		
		-
Net Position		
Investments in capital assets, Net of related debt		1,537,248
Unrestricted		4,950
Total Net Position		\$ 1,542,198

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, 2019

OPERATING REVENUES	
Charges for Services	\$ 60,524
Miscellaneous	-
Total Operating Revenues	60,524
 OPERATING EXPENSES	
Personal Services	10,958
Utilities	6,937
Repair and maintenance	9,566
Other supplies and expenses	22,465
Depreciation	50,687
Total Operating Expenses	100,613
 Change in Net Position before other financing sources	 (40,089)
 OTHER FINANCING SOURCES:	
Capital Contributions	159,470
Grants	21,100
	140,481
 Change in Net Position	 140,481
 Net Position, Beginning of Year	 1,401,717
 Net Position, End of Year	 \$ 1,542,198

See accompanying notes and accountant's review report.

VILLAGE OF RODESSA, LOUISIANA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
YEAR ENDED DECEMBER 31, 2019

Cash flows from operating activities:	
Cash received from customers	\$ 63,464
Cash payments to suppliers and employees	(48,391)
Other operating income	-
Net cash provided by operating activities	15,073
Cash flows from capital and related financing activities	
Grants	180,570
Principal payments on long-term debt	-
Purchase of fixed assets	(195,554)
Net cash used by capital and related financing activities	(14,984)
Increase (Decrease) in cash	89
Cash, January 1, 2019 (including \$8,804 in restricted accounts)	14,651
Cash, December 31, 2019 (including \$10,819 in restricted accounts)	\$ 14,740
Reconciliation of changes in net position to net cash provided by operating activities:	
Changes in net assets before other financing sources	\$ (40,089)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	50,687
Changes in assets and liabilities	
Decrease in accounts receivable	2,940
Decrease in accounts payable	(480)
Decrease in due to other funds	-
Increase in customer deposits	2,015
	\$ 15,073

See accompanying notes and accountant's review report.

VILLAGE OF RODESSA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, proprietary funds, and fiduciary funds.

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.

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.

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 uncollectibility of the particular receivable. At December 31, 2019, \$-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.

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 3 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 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, 2019 was \$19,492 including petty cash of \$1,000 was as follows:

Cash in Banks	\$	19,919
Investments		<u>-</u>
Total	\$	<u><u>19,919</u></u>

Bank balances at December 31, 2019 totaled \$19,919 and were secured as follows:

Secured by FDIC Insurance	\$	19,919
Collateralized by securities pledged in the Village's name		<u>-</u>
Total	\$	<u><u>19,919</u></u>

NOTE 4 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2019:

	Governmental Activities	Business-Type Activities	Total
Taxes	\$ 6,572	\$ -	\$ 6,572
Grants	8,283	-	8,283
Charges for services	-	5,270	5,270
Total.	<u>\$ 14,855</u>	<u>\$ 5,270</u>	<u>\$ 20,125</u>

NOTE 5 CAPITAL ASSETS

A summary of Village of Rodessa's capital assets at December 31, 2019 follows:

	Balance 1/1/2019	Additions	Retirements	Balance 12/31/2019
Government Activities				
Capital Assets, not being depreciated				
Land	\$ 4,660	\$ -	\$ -	\$ 4,660
Total Capital Assets, not being depreciated	4,660	-	-	4,660
Capital Assets, being depreciated				
Buildings and other improvements	575,610	-	-	575,610
Less accumulated depreciation	(339,658)	(13,393)	-	(353,051)
Total Buildings and other improvements	235,952	(13,393)	-	222,559
Equipment and other assets	60,357	2,500	-	62,857
Less accumulated depreciation	(43,152)	(4,302)	-	(47,454)
Total Equipment, Furniture & Fixtures	17,205	(1,802)	-	15,403
Total Capital Assets, being depreciated	253,157	(15,195)	-	237,962
Governmental Activities				
Total Capital Assets, net	<u>\$ 257,817</u>	<u>\$ (15,195)</u>	<u>\$ -</u>	<u>\$ 242,622</u>
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ -	\$ -	\$ -	\$ -
Total Capital Assets, not being depreciated	-	-	-	-
Capital Assets, being depreciated				
Distribution System	2,562,380	195,554	-	2,757,936
Less accumulated depreciation	(1,190,185)	(49,544)	-	(1,239,729)
Total Distribution System	1,372,195	146,010	-	1,518,207
Equipment, furniture & fixtures	36,151	-	-	36,151
Less accumulated depreciation	(15,967)	(1,143)	-	(17,110)
Total Equipment, Furniture & Fixtures	20,184	(1,143)	-	19,041
Total Capital Assets, being depreciated	1,392,379	144,867	-	1,537,248
Business-Type Activities				
Total Capital Assets, net	<u>\$ 1,392,379</u>	<u>\$ 144,867</u>	<u>\$ -</u>	<u>\$ 1,537,248</u>
Primary Government				
Total Capital Assets, net	<u>\$ 1,650,196</u>	<u>\$ 129,672</u>	<u>\$ -</u>	<u>\$ 1,779,870</u>

NOTE 6 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2019:

	Governmental Activities	Business-Type Activities	Total
Vendor	\$ 805	\$ -	\$ 805
Payroll taxes	-	-	-
Construction	8,243	-	8,243
Total	<u>\$ 9,048</u>	<u>\$ -</u>	<u>\$ 9,048</u>

NOTE 7 LEASES

Village of Rodessa was not obligated under any operating lease commitments at December 31, 2019.

NOTE 8 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.

NOTE 9 GRANTS

On July 5, 2018, the Village was awarded a Community Development Block Grant in the amount of \$203,260 to be used for Water System Improvements. Revenue and expenditures under this grant totaled \$159,470. The Water System Improvements were complete at December 31, 2019.

NOTE 10 SUBSEQUENT EVENTS

On March 13, 2020, President Trump declared a national emergency relating to the COVID-19 virus. As of the date of this report, the pandemic is ongoing. Future potential impacts may include disruptions or restrictions on employees' ability to work. The future effects of this issue are unknown.

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, 2019

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Taxes, Licenses, and Permits	35,600	\$ 39,185	\$ 43,816	\$ 4,631
Police Fines	13,500	21,527	21,800	273
Intergovernmental	-	-	-	-
Miscellaneous	9,242	11,117	9,220	(1,897)
Total Revenues	<u>58,342</u>	<u>71,829</u>	<u>74,836</u>	<u>3,007</u>
Expenditures				
General Government	47,862	65,769	62,313	3,456
Public Safety	10,434	10,434	11,989	(1,555)
Total Expenditures	<u>58,296</u>	<u>76,203</u>	<u>74,302</u>	<u>1,901</u>
Net Changes in Fund Balances				
before Other Sources	46	(4,374)	534	3,410
Other Sources				
Transfers (to) from Other Funds	-	-	-	-
Total Other Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	46	(4,374)	534	3,410
Fund Balances, Beginning of Year	<u>14,226</u>	<u>14,226</u>	<u>14,226</u>	<u>-</u>
Fund Balances, End of year	<u>\$ 14,272</u>	<u>\$ 9,852</u>	<u>\$ 14,760</u>	<u>\$ 3,410</u>

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

For the Year Ended December 31, 2019

Paul Lockard, Mayor	\$ 1,200
Henry House	480
Eddie Durmon	-
Dan Harville	-
	<hr/>
Total	<u>\$ 1,680</u>

VILLAGE OF RODESSA, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2019

Agency Head: Honorable Paul Lockhard, Mayor

Salary	<u>\$ 1,200</u>
Payroll Taxes	<u>\$ 92</u>
Reimbursements	<u>\$ -</u>
Conferences	<u>\$ -</u>



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Accountant's Report on Applying Agreed-Upon Procedures

The Honorable Paul Lockard, Mayor
and Members of the Board of Aldermen
Village of 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, Louisiana (the Village) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the System's compliance with certain laws and regulations during the year ended December 31, 2019 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 \$150,000 and determine whether such purchases were made in accordance with LSA-RS 38:221-2296.(the public bid law).

The System did made no expenditures in excess of \$30,000 for material and supplies. The Village made expenditures of \$159,470 for public works. The Village complied with LSA-RS 38:221-2296.

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 me with 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 management appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

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

Management provided a copy of the original 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 10, 2018. I traced the adoption of the amended budget to the minutes of a meeting held on December 9, 2019.

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 original budget to actual revenues and expenditures. The budget variances were within the 5% parameters.

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

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.

There was one finding for the year ended December 31, 2018:

Finding 2018-1: The segregation of duties is inadequate to provide effective internal control. No action was recommended and none was taken.

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. Milligan

Certified Public Accountant
June 30, 2020

VILLAGE OF RODESSA, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

Finding #2019-1: The segregation of duties is inadequate to provide effective internal control.

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.

VILLAGE OF RODESSA, LOUISIANA
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

Finding #2018-1: The segregation of duties is inadequate to provide effective internal control.

Status: Unresolved.

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

June 14, 2020

Marsha O. Millican, APAC
810 Wilkinson
Shreveport, Louisiana 71104
(Auditors)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2019 and for the year then ended, an as required by Louisiana Revised Statute (R.S.) 24:513 and t/he *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, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.
Yes [X] 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 LSA-RS 42:1101-1124.
Yes [X] 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 LSA-RS 42:1119.
Yes [X] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34 .Yes [X] 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 LSA-RS 44:1, 44:7, 44:31, and 44:36. Yes [X] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable. Yes [X] No []

We have had our financial statements reviewed in accordance with LSA-RS 24:513.
Yes [X] No []

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 [X] 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 [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 []


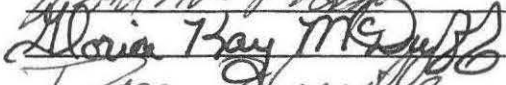
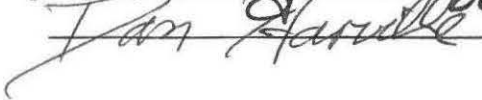
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period 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 []

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

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.

	_____	Mayor	_____	Date
	_____	Alderman	_____	Date
	_____	Alderman	_____	Date