

VILLAGE OF REEVES, LOUISIANA
ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS

Year Ended June 30, 2020

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VILLAGE OF REEVES, LOUISIANA

Management's Discussion and Analysis

Within this section of the Village of Reeves, Louisiana's (Village) annual financial report, the Village's management is pleased to provide this narrative discussion and analysis of the financial activities of the Village for the fiscal year ended June 30, 2020. The Village's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- The Village's assets exceeded its liabilities by \$2,164,578 (net position) for the fiscal year reported.
- Total revenues of \$494,635 were less than total expenditures of \$622,268, which resulted in a current year deficit of \$127,633, compared to a prior year deficit of \$13,087.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$1,859,449 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Unrestricted net position of \$305,129 represents the portion available to maintain the Village's continuing obligations to citizens and creditors.
- The Village's governmental funds reported total ending fund balance of \$291,327 this year. This compares to the prior year ending fund balance of \$371,744 reflecting a decrease of \$80,417 during the current year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$241,327 or 44% of total General Fund expenditures and 52% of total General Fund revenues.
- Overall, the Village had a slight decrease in financial position and is continuing to work to improve on this financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the Village's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Village also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

VILLAGE OF REEVES, LOUISIANA

Management's Discussion and Analysis (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Village's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Village's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the Village's assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources with the difference 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 as a whole is improving or deteriorating. Evaluation of the overall health of the Village would extend to other nonfinancial factors such as diversification of the taxpayer base, or the condition of Village infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Village's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Village's distinct activities or functions on revenues provided by the Village's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Village and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include principally general government and public safety. Business-type activities include the sewer system.

The government-wide financial statements are presented on pages 16 and 17 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Village uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Village's most significant funds rather than the Village as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The Village has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Village's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

VILLAGE OF REEVES, LOUISIANA

Management's Discussion and Analysis (Continued)

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The basic governmental fund financial statements are presented on pages 20 through 24 of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the Village charges customers a fee. The one Village proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the Village organization for sewer utilities. The basic enterprise fund financial statements are presented on pages 25 through 27 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 28 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Village's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. These statements and schedules demonstrate compliance with the Village's adopted and final revised budget. Required supplemental information can be found on page 40 and 41 of this report.

VILLAGE OF REEVES, LOUISIANA

Management's Discussion and Analysis (Continued)

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

The Village's net position at fiscal year-end is \$2,164,578. The following table provides a summary of the Village's net position:

	Governmental Activities		Business-type Activities		Total		Percentage Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Assets:								
Current assets and other assets	\$ 299,964	\$ 388,367	\$ 11,041	\$ 3,526	\$ 314,084	\$ 391,893	14%	17%
Capital assets	<u>1,483,008</u>	<u>1,522,177</u>	<u>376,441</u>	<u>395,382</u>	<u>1,859,449</u>	<u>1,917,559</u>	<u>86</u>	<u>83</u>
Total assets	<u>1,782,972</u>	<u>1,910,544</u>	<u>390,561</u>	<u>398,908</u>	<u>2,173,533</u>	<u>2,309,452</u>	<u>100%</u>	<u>100%</u>
Deferred outflows of resources	-	-	-	-	-	-	-%	-%
Liabilities:								
Current liabilities	8,637	16,623	318	618	8,955	17,241	100%	100%
Deferred inflows of resources	-	-	-	-	-	-	-%	-%
Net position:								
Net investment in capital assets	1,483,008	1,522,177	376,441	395,382	1,859,449	1,917,559	86%	84%
Unrestricted	<u>291,327</u>	<u>371,744</u>	<u>13,802</u>	<u>2,908</u>	<u>305,129</u>	<u>374,652</u>	<u>14</u>	<u>16</u>
Total net position	<u>\$ 1,774,335</u>	<u>\$ 1,893,921</u>	<u>\$ 390,243</u>	<u>\$ 398,290</u>	<u>\$ 2,164,578</u>	<u>\$ 2,292,211</u>	<u>100%</u>	<u>100%</u>

The Village continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 34.7 to 1 (23.3 to 1 for 2019) and 34.7 to 1 (5.8 to 1 for 2019) for business type activities. For the Village overall, the current ratio is 35.1 to 1 (22.8 to 1 for 2019). These ratios are strong.

The Village reported positive balances in net position for both governmental and business-type activities. Net position decreased \$119,586 (\$4,932 increase for 2019) for governmental activities and decreased \$8,047 (\$18,019 decrease for 2019) for business-type activities.

Note that approximately 84% (84% for 2019) of the governmental activities' net position is tied up in capital. The Village uses these capital assets to provide services to its citizens. However, with business type activities, the Village has spent approximately 96% (99% for 2019) of its net position on capital. Capital assets in the business-type activities also provide utility services, but they also generate revenues for this fund. 86% (84% for 2019) of the Village's total net position is included in capital assets.

VILLAGE OF REEVES, LOUISIANA

Management's Discussion and Analysis (Continued)

The following table provides a summary of the Village's changes in net position:

	Governmental Activities		Business-Type Activities		Total		Percentage Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues:								
Program:								
Charges for services/ fines	\$ 376,859	\$ 409,152	\$ 31,357	\$ 26,839	\$ 408,216	\$ 435,991	83%	79%
Operating grants	2,190	14,380	-	-	2,190	14,380	-	3
General:								
Taxes	80,014	98,476	-	-	80,014	98,476	17	18
Interest	1,443	63	-	-	1,443	63	-	-
Other	2,772	1,764	-	-	2,772	1,764	-	-
Total Revenues	463,278	523,835	31,357	26,839	494,635	550,674	100%	100%
Program expenses:								
General government	315,692	276,041	-	-	315,692	276,041	51%	49%
Public safety:								
Police	267,172	242,862	-	-	267,172	242,862	43	43
Sewer	-	-	39,404	44,858	39,404	44,858	6	8
Total Expenses	582,864	518,903	39,404	44,858	622,268	563,761	100%	100%
Excess (deficiency)	(119,586)	4,932	(8,047)	(18,019)	(127,633)	(13,087)		
Transfers	-	-	-	-	-	-		
Change in net position	(119,586)	4,932	(8,047)	(18,019)	(127,633)	(13,087)		
Beginning net position	1,893,921	1,888,989	398,290	416,309	2,292,211	2,305,298		
Ending net position	\$ 1,774,335	\$ 1,893,921	\$ 390,243	\$ 398,290	\$ 2,164,578	\$ 2,292,211		

GOVERNMENTAL REVENUES

The Village is heavily reliant on fines and taxes to support governmental operations. Fines equal 83% (79% for 2019) of the revenues for governmental activities, excluding capital grants. Taxes equal 17% (18% for 2019) of the revenues for governmental activities, excluding capital grants. Also note that program revenues of charges for services cover 65% (83% for 2019) of governmental operating expenses.

GOVERNMENTAL FUNCTIONAL EXPENSES

General government expenses comprise 51% (49% for 2019) of the Village's total expenses and 54% (53% for 2019) of the total governmental expenses.

This table presents the cost of each of the Village's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the Village's taxpayers by each of these functions.

VILLAGE OF REEVES, LOUISIANA

Management's Discussion and Analysis (Continued)

Governmental Activities

	Total Cost of Services		Net Cost (Profit) of Services	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General government	\$ 315,692	\$ 276,041	\$ (313,502)	\$ (261,661)
Public safety:				
Police	<u>267,172</u>	<u>242,862</u>	<u>109,687</u>	<u>166,290</u>
Total	<u>\$ 582,864</u>	<u>\$ 518,903</u>	<u>\$ (203,815)</u>	<u>\$ (95,371)</u>

BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs

For the utility fund the operating revenues and expenses were relatively the same as 2019. Within the total business type activities of the Village, these activities reported a \$8,047 loss compared to a loss of \$18,019 for the prior year.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$291,327 (\$371,744 for 2019), of which \$50,000 is assigned for capital outlay (\$50,000 for 2019), and \$241,327 is unassigned (\$321,744 for 2019) indicating availability for continuing Village service requirements.

The total ending fund balances of governmental funds show a decrease of \$80,417 (\$69,862 increase for 2019).

MAJOR GOVERNMENTAL FUNDS

The General Fund is the Village's primary operating fund and the only source of day-to-day service delivery. The General Fund is the only governmental fund and is, therefore, the only major fund.

THE PROPRIETARY FUND

The proprietary fund statements share the same focus as the government-wide statements, both reporting short-term information about financial status.

VILLAGE OF REEVES, LOUISIANA

Management's Discussion and Analysis (Continued)

BUDGETARY HIGHLIGHTS

The revenue side of the original budget for the General Fund was increased by \$32,900 and the expenditure side decreased \$43,962, this year from last year's final budget. The primary change relates to fines and salaries.

The revenue side of the original budget for the General Fund was not amended. The expenditure side of the original budget of the general fund did not change.

The actual revenues were less than the final budget by \$29,022 or 6.3%, mainly due to fines, and the actual expenditures were less than the final budget by \$51,457 or 9.5%, mainly due to repairs and maintenance, contract labor, and police fuel and capital outlay.

The budget was amended once during the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Village's net investment in capital assets, for governmental and business-type activities as of June 30, 2020, was \$1,483,008 and \$376,441 respectively. See Note C for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Non-depreciable asset:						
Land	\$ 47,641	\$ 47,641	\$ -	\$ -	\$ 47,641	\$ 47,641
Construction in progress	-	-	-	-	-	-
Depreciable assets:						
Buildings	296,728	296,728	731,271	731,271	1,027,999	1,027,999
Furniture & equipment	601,989	561,065	72,533	72,533	674,522	633,598
Infrastructure	<u>1,439,039</u>	<u>1,439,039</u>	<u>-</u>	<u>-</u>	<u>1,439,039</u>	<u>1,439,039</u>
Total depreciable assets	2,337,756	2,296,832	803,804	803,804	3,141,560	3,100,636
Less accumulated depreciation	<u>902,389</u>	<u>822,296</u>	<u>427,363</u>	<u>408,422</u>	<u>1,329,752</u>	<u>1,230,718</u>
Book value-depreciable assets	<u>\$ 1,435,367</u>	<u>\$ 1,474,536</u>	<u>\$ 376,441</u>	<u>\$ 395,382</u>	<u>\$ 1,811,808</u>	<u>\$ 1,869,918</u>
Percentage depreciated	<u>39%</u>	<u>36%</u>	<u>47%</u>	<u>41%</u>	<u>42%</u>	<u>40%</u>
Book value-all assets	<u>\$ 1,483,008</u>	<u>\$ 1,522,177</u>	<u>\$ 376,441</u>	<u>\$ 395,382</u>	<u>\$ 1,859,449</u>	<u>\$ 1,917,559</u>

VILLAGE OF REEVES, LOUISIANA

Management's Discussion and Analysis (Continued)

At June 30, 2020, the depreciable capital assets for governmental activities were 39% depreciated compared to 36% at June 30, 2019. This comparison indicates that the Village is depreciating its assets at a higher rate than they are replacing them.

With the Village's business type activities, 47% of the asset values were depreciated at June 30, 2020 compared to 41% at June 30, 2019.

Additions included a Ford Explorer, in-car video system, sign and picnic tables.

Long-term debt

At the end of the fiscal year, the Village had no debt outstanding.

ECONOMIC CONDITIONS AFFECTING THE VILLAGE

Since the primary revenue stream for the Village are fines and taxes, the Village's fines and tax revenues are subject to changes in the economy. Since these are considered an "elastic" revenue stream, fines and tax collections are higher in a flourishing economy and are lower in a depressed economy.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Village's finances, comply with finance-related laws and regulations, and demonstrate the Village's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Village's Clerk at P.O. Box 119, Reeves, LA. 70658.

INDEPENDENT AUDITORS' REPORT

March 6, 2021

The Honorable Chris Guillory, Mayor
and the Board of Councilmen
Village of Reeves, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Village of Reeves, Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Village of Reeves, Louisiana, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 3 through 10 and 40 through 41, respectively 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Reeves's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer is presented on page 43 for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepared the basic financial statements, or

Village of Reeves, Louisiana
March 6, 2021
Page Three

the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2021, on our consideration of the Village of Reeves, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Reeves, Louisiana's internal control over financial reporting and compliance.

Shagson, Casiday & Shillory

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

VILLAGE OF REEVES, LOUISIANA

Statement of Net Position

June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 287,555	\$ 11,041	\$ 298,596
Receivables, net	4,308	3,079	7,387
Prepaid expenses	8,101	-	8,101
Capital assets:			
Land	47,641	-	47,641
Capital assets, net	<u>1,435,367</u>	<u>376,441</u>	<u>1,811,808</u>
Total assets	<u>1,782,972</u>	<u>390,561</u>	<u>2,173,533</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Accounts and other accrued payables	8,637	270	8,907
Customer meter deposits	<u>-</u>	<u>48</u>	<u>48</u>
Total liabilities	<u>8,637</u>	<u>318</u>	<u>8,955</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	1,483,008	376,441	1,859,449
Unrestricted	<u>291,327</u>	<u>13,802</u>	<u>305,129</u>
Total net position	<u>\$ 1,774,335</u>	<u>\$ 390,243</u>	<u>\$ 2,164,578</u>

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

VILLAGE OF REEVES, LOUISIANA

Statement of Activities

Year Ended June 30, 2020

Activities	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		Total
		Fees, Fines and Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 315,692	\$ -	-	\$ 2,190	\$ (313,502)	\$ -	\$ (313,502)
Police	<u>267,172</u>	<u>376,859</u>	<u>-</u>	<u>-</u>	<u>109,687</u>	<u>-</u>	<u>109,687</u>
Total Governmental Activities	582,864	376,859	-	2,190	(203,815)	-	(203,815)
Business-type activities:							
Sewer	<u>39,404</u>	<u>31,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,047)</u>	<u>(8,047)</u>
Total	<u>\$ 622,268</u>	<u>\$ 408,216</u>	<u>\$ -</u>	<u>\$ 2,190</u>	<u>(203,815)</u>	<u>(8,047)</u>	<u>(211,862)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					6,056	-	6,056
Franchise taxes					14,162	-	14,162
Sales					44,579	-	44,579
Licenses					15,217	-	15,217
Interest					1,443	-	1,443
Miscellaneous					2,772	-	2,772
Transfers					-	-	-
Total general revenues					<u>84,229</u>	<u>-</u>	<u>84,229</u>
Change in net position					(119,586)	(8,047)	(127,633)
Net position - Beginning					<u>1,893,921</u>	<u>398,290</u>	<u>2,292,211</u>
Net position - Ending					<u>\$ 1,774,335</u>	<u>\$ 390,243</u>	<u>\$ 2,164,578</u>

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

FUND FINANCIAL STATEMENTS

FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

VILLAGE OF REEVES, LOUISIANA

Balance Sheet - Governmental Fund

June 30, 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 287,555	\$ 363,495
Receivables:		
Franchise taxes	1,380	1,261
Interest	176	63
Intergovernmental	2,752	13,784
Prepaid insurance	8,101	9,764
Total Assets	<u>299,964</u>	<u>388,367</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 299,964</u>	<u>\$ 388,367</u>
LIABILITIES		
Accounts payable	\$ 4,133	\$ 11,611
Payroll taxes payable	4,504	5,012
Total Liabilities	<u>8,637</u>	<u>16,623</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Assigned	50,000	50,000
Unassigned	241,327	321,744
Total Fund Balance	<u>291,327</u>	<u>371,744</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 299,964</u>	<u>\$ 388,367</u>

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

VILLAGE OF REEVES, LOUISIANA

Reconciliation of Balance Sheet - Governmental Funds to the
Statement of Net Position

June 30, 2020

Total fund balance for governmental fund at June 30, 2020 \$ 291,327

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	\$ 47,641	
Capital assets, net of \$902,389 accumulated depreciation	<u>1,435,367</u>	<u>1,483,008</u>

Total net position of governmental activities at June 30, 2020 \$ 1,774,335

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

VILLAGE OF REEVES, LOUISIANA

Statement of Revenues, Expenditures and Changes
in Fund Balance - Governmental Fund

Year Ended June 30, 2020

	<u>2020</u>	<u>2019</u>
REVENUES		
Property taxes	\$ 6,056	\$ 6,255
Franchise taxes	14,162	13,756
Sales tax	44,579	55,267
Occupational license	15,217	23,198
Interest	1,443	63
Intergovernmental	2,190	14,380
Fines	376,859	409,152
Miscellaneous	<u>2,772</u>	<u>1,764</u>
Total Revenues	463,278	523,835
EXPENDITURES		
General government		
Advertisements	1,050	1,120
Bank charges	55	-
Conference/meetings	1,667	4,396
Contract labor	33,092	19,428
Dues	960	2,062
Insurance - health	6,727	1,373
Insurance - other	23,534	24,717
Miscellaneous	798	2,082
Office supplies	8,961	10,552
Per diem	24,600	24,600
Professional fees	18,966	22,790
Repairs and maintenance	32,728	11,330
Salaries	55,450	52,750
Supplies	13,515	10,176
Taxes	5,909	5,815
Telephone	9,178	6,918
Travel	1,624	1,829
Utilities - city hall	<u>17,225</u>	<u>14,521</u>
Total General Government	256,039	216,459
Police		
Fuel	17,083	16,857
Insurance - other	9,297	8,010
Repairs and maintenance	1,125	5,839
Reports	48,397	56,549
Salaries	127,057	102,841
Supplies	9,008	21,697
Taxes	11,162	7,878
Training	466	1,588
Uniforms/equipment	<u>23,137</u>	<u>1,163</u>
Total Police	246,732	222,422
Capital outlay	<u>40,924</u>	<u>15,092</u>
Total Expenditures	<u>543,695</u>	<u>453,973</u>

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

Continued

VILLAGE OF REEVES, LOUISIANA

Statement of Revenues, Expenditures and Changes
in Fund Balance - Governmental Fund - Continued

Year Ended June 30, 2020

	<u>2020</u>	<u>2019</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (80,417)	\$ 69,862
OTHER FINANCING SOURCES (USES) Operating Transfers In (Out)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(80,417)	69,862
FUND BALANCE, BEGINNING	<u>371,744</u>	<u>301,882</u>
FUND BALANCE, ENDING	<u><u>\$ 291,327</u></u>	<u><u>\$ 371,744</u></u>

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

VILLAGE OF REEVES, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balance-Governmental Fund to the Statement of Activities

Year Ended June 30, 2020

Total net changes in fund balance at June 30, 2020 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$	(80,417)
The change in net position reported for governmental activities in the Statement of Activities is 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.			
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance	\$	40,924	
Depreciation expense for the year ended June 30, 2020		<u>(80,093)</u>	<u>(39,169)</u>
Total change in net position at June 30, 2020 per Statement of Activities		\$	<u>(119,586)</u>

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

VILLAGE OF REEVES, LOUISIANA
Statement of Net Position - Proprietary Funds

June 30, 2020

	2020	2019
Current assets		
Cash	\$ 11,041	\$ 1,307
Receivables	3,079	2,219
Total current assets	14,120	3,526
Fixed assets, net of accumulated depreciation	376,441	395,382
Total assets	390,561	398,908
 DEFERRED OUTFLOWS OF RESOURCES	 -	 -
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 \$ 390,561	 \$ 398,908
 LIABILITIES		
Current liabilities		
Accounts payable	\$ 270	\$ 570
Customer meter deposits	48	48
Total current liabilities	318	618
 DEFERRED INFLOWS OF RESOURCES	 -	 -
 NET POSITION		
Net investment in capital assets	376,441	395,382
Unrestricted	13,802	2,908
Total net position	390,243	398,290
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	 \$ 390,561	 \$ 398,908

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

VILLAGE OF REEVES, LOUISIANA

Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Fund

Year Ended June 30 2020

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Sewer service charges	\$ 31,298	\$ 26,839
Other income	59	-
Total Operating Revenues	<u>31,357</u>	<u>26,839</u>
OPERATING EXPENSES		
Depreciation	18,941	18,940
Dues	300	1,267
Fuel surcharge	110	75
Hazmat charge	45	32
Permits	545	30
Repairs and maintenance	13,084	16,758
Samples	1,687	2,683
Utilities	4,692	5,073
Total Operating Expenses	<u>39,404</u>	<u>44,858</u>
INCOME (LOSS) BEFORE NONOPERATING REVENUES (EXPENSES)	(8,047)	(18,019)
NONOPERATING REVENUES (EXPENSES)		
Operating transfers in (out)	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	(8,047)	(18,019)
NET POSITION, BEGINNING	<u>398,290</u>	<u>416,309</u>
NET POSITION, ENDING	<u>\$ 390,243</u>	<u>\$ 398,290</u>

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

VILLAGE OF REEVES, LOUISIANA
Statement of Cash Flows - Proprietary Fund
Year Ended June 30, 2020

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 30,497	\$ 26,773
Payments to suppliers	<u>(20,763)</u>	<u>(28,691)</u>
Net cash from operating activities	<u>9,734</u>	<u>(1,918)</u>
 NET INCREASE (DECREASE) IN CASH	 9,734	 (1,918)
 CASH, BEGINNING	 <u>1,307</u>	 <u>3,225</u>
 CASH, ENDING	 <u>\$ 11,041</u>	 <u>\$ 1,307</u>
 Reconciliation of change in net position to cash from operating activities:		
Operating income (loss)	\$ (8,047)	\$ (18,019)
Adjustment to reconcile change in net position to net cash provided (used) by operating activities:		
Depreciation	18,941	18,940
(Increase) decrease in receivables	(860)	(66)
Increase (decrease) in accounts payable	<u>(300)</u>	<u>(2,773)</u>
Net cash from operating activities	<u>\$ 9,734</u>	<u>\$ (1,918)</u>

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

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant of the government's accounting policies are described below.

1. Reporting Entity

As the governing authority of the Village, for reporting purposes, the Village of Reeves, Louisiana is the financial reporting entity. The financial reporting entity consists of (a) the primary government (Village), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Village of Reeves, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Village to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the application of these criteria, there are no component units included in the Village's reporting entity.

2. Basis of Presentation

The accompanying basic financial statements of the Village of Reeves, Louisiana 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 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments", issued in June 1999.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the Village's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Village, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The Village uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Village functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Village are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major funds, each displayed on a separate column. The emphasis on fund financial statements is on major funds, each displayed on a separate column. A fund is considered major if it is the primary operating fund of the Village or its total assets, liabilities, revenues, or expenditures of the individual governmental and enterprise fund is at least 10 percent of the corresponding total for all governmental and enterprise funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The Village reports the following major funds:

The General Fund is the primary operating fund of the Village. It accounts for all financial resources except those that are required to be accounted for in other funds.

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

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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 (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

4. Budgets

A budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Council for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated. The budget was amended once during the year.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Cash

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) 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 June 30, 2020, the Village has \$304,639 in deposits (collected bank balances), of which all is secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank.

6. Accounts Receivable

Uncollectible amounts due for sewer charges and other receivables are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectable. This method does not result in a charge to bad debt that is materially different from the amount that would be charged if the reserve method were used.

There appears to be concentration of credit risk with regard to general accounts receivable and more specifically accounts receivable for sewer user fees in the Enterprise Fund. The Village's ability to collect the amounts due from the users of the Village's sewer system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disaster or other calamity in this one concentrated geographic location.

7. Statement of Cash Flows

For the purpose of the Statement of Cash Flows, for the enterprise fund, the Village considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	15-40 years
Furniture and Equipment	5-10 years
Infrastructure, Building and Plant	40 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

9. Equity Classification

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of the above mentioned categories.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Proprietary fund equity is classified the same as in the government-wide statements.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as restricted, committed, assigned or unassigned.

- a. Restricted – Amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors.
- b. Committed – Amounts that can be used only for specific purposes determined by a formal action by Board ordinance or resolution.
- c. Assigned – Includes fund balance amounts that are intended to be used for specific purposes based on internal actions. At June 30, 2020, \$50,000 has been assigned for sewer system improvements.
- d. Unassigned – Includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, expenditures are to be spent from restricted fund balance first and then unrestricted. Expenditures incurred in the unrestricted fund balance shall be reduced first from the committed fund balance, then from the assigned fund balance and finally, the unassigned fund balance.

10. Sales Tax

Proceeds of a 1.0% sales and use tax (effective January 1, 2010) levied by the Village of Reeves, Louisiana is not dedicated for any special purpose and may be utilized for any lawful purpose.

11. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. Revenues, Expenditures, and Expenses

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Village's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Village's general revenues.

Revenues

Ad valorem taxes are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The Village primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Village.

13. Subsequent Events

Management has evaluated subsequent events through March 6, 2021, the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may impact the District's ongoing operations; however, the extent and severity of the potential impact is unknown at this time.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

On August 27, 2020 Hurricane Laura made landfall in Southwest Louisiana as a Category 4 hurricane which was followed by Hurricane Delta on October 8, 2020. The full extent of damages to the District's facilities or effects on operations have not been determined.

14. Comparative Data

Comparative totals for the prior have been presented in the accompanying financial statements in order to provide an understanding of charges in the Village's financial position and operations.

NOTE B - PROPERTY TAXES

For the year ended June 30, 2020, taxes for general purposes were levied on property as follows:

<u>Millage</u>	<u>Assessed Valuations</u>	<u>Taxes Levied</u>
4.89	\$ 1,342,720	\$ 6,566

Property tax millage rates are adopted in July of the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st. Property taxes not paid by February 28th are subject to property lien.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2020

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2020 follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities:				
Land	\$ 47,641	\$ -	\$ -	\$ 47,641
Construction in progress	-	-	-	-
Buildings	296,728	-	-	296,728
Furniture and Equipment	561,065	40,924	-	601,989
Infrastructure	<u>1,439,039</u>	<u>-</u>	<u>-</u>	<u>1,439,039</u>
Totals at historical cost	2,344,473	40,924	-	2,385,397
Less accumulated depreciation for:				
Buildings	101,222	9,765	-	101,222
Furniture and Equipment	461,429	34,074	-	461,429
Infrastructure	<u>259,645</u>	<u>36,254</u>	<u>-</u>	<u>259,645</u>
Total accumulated depreciation	<u>822,296</u>	<u>80,093</u>	<u>-</u>	<u>902,389</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 1,522,177</u>	<u>\$ (64,930)</u>	<u>\$ -</u>	<u>\$ 1,483,008</u>
Business Type Activities:				
Land	\$ -	\$ -	\$ -	\$ -
Buildings and plant	731,271	-	-	731,271
Equipment	<u>72,533</u>	<u>-</u>	<u>-</u>	<u>72,533</u>
Totals at historical cost	803,804	-	-	803,804
Less accumulated depreciation for:				
Buildings and plant	357,550	14,609	-	372,159
Equipment	<u>50,872</u>	<u>4,332</u>	<u>-</u>	<u>55,204</u>
Total accumulated depreciation	<u>408,422</u>	<u>18,941</u>	<u>-</u>	<u>427,363</u>
Business-type Activities				
Capital Assets, Net	<u>\$ 395,382</u>	<u>\$ (18,941)</u>	<u>\$ -</u>	<u>\$ 376,441</u>
Depreciation expense was charged to governmental activities as follows:				
General and administrative				\$ 60,920
Police				<u>19,173</u>
Total				<u>\$ 80,093</u>

Major addition was a generator.

NOTE D – COMPENSATION/PER DIEM

Total compensation/per diem paid for the year ended June 30, 2020 consisted of the following:

Former Mayor Scott Walker, term expired December 31, 2018	\$ 6,000
Former Councilwoman Robin Newell, term expires December 31, 2018	2,100
Former Councilwoman Renae Duhon, term expires December 31, 2018	2,100
Mayor Chris Guillory, term expires December 31, 2023	8,100
Councilman Mick Estay, term expires December 31, 2023	2,100
Councilman Glen Ducharme, term expires December 31, 2023	2,100
Councilman Randy Credeur, Sr., term expires December 31, 2023	<u>2,100</u>
	<u>\$ 24,600</u>

NOTE E - RISK MANAGEMENT

The Village 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 those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE F – SCHEDULE OF INSURANCE COVERAGE

The schedule of insurance coverage as of June 30, 2019 is as follows:

	<u>Limits</u>	<u>Expiration Date</u>
Automobile liability	\$500,000 bodily injury and physical damage	May 4, 2020
Commercial general liability:		
Premises/Operations	\$500,000 per occurrence-bodily injury and physical damage	May 4, 2020
Products/Completed operation	\$500,000 in the aggregate-bodily injury and physical damage	May 4, 2020
Medical payments	\$1,000 per person \$10,000 per accident	May 4, 2020
Fire legal liability	\$50,000 per occurrence	May 4, 2020
Errors and omissions		May 4, 2020
Commercial property	\$150,000 building \$20,000 contents	December 21, 2019
Worker's Compensation		May 4, 2020

REQUIRED SUPPLEMENTAL INFORMATION

VILLAGE OF REEVES, LOUISIANA

Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 6,000	\$ 6,000	\$ 6,056	\$ 56
Franchise taxes	13,500	13,500	14,162	662
Sales tax	42,000	42,000	44,579	2,579
Occupational license	21,000	21,000	15,217	(5,783)
Interest	-	-	1,443	1,443
Intergovernmental	4,200	4,200	2,190	(2,010)
Fines	405,600	405,600	376,859	(28,741)
Miscellaneous	-	-	2,772	2,772
Total Revenues	492,300	492,300	463,278	(29,022)
EXPENDITURES				
General government				
Advertisements	1,200	1,200	1,050	150
Bank charges	-	-	55	(55)
Conference/meetings	3,325	3,325	1,667	1,658
Contract labor	14,400	14,400	33,092	(18,692)
Dues	1,200	2,140	960	1,180
Fuel	7,200	7,200	-	7,200
Insurance - health	6,000	6,000	6,727	(727)
Insurance - other	33,000	33,000	23,534	9,466
Miscellaneous	2,300	3,700	798	2,902
Office supplies	12,000	12,000	8,961	3,039
Per diem	24,600	24,600	24,600	-
Professional fees	21,600	21,600	18,966	2,634
Repairs and maintenance	16,404	17,904	32,728	(14,824)
Salaries	52,548	52,548	55,450	(2,902)
Supplies	4,296	4,456	13,515	(9,059)
Taxes	13,980	13,980	5,909	8,071
Telephone	5,460	5,460	9,178	(3,718)
Travel	-	-	1,624	(1,624)
Utilities - city hall	17,100	17,100	17,225	(125)
Total General Government	236,613	240,613	256,039	(15,426)
Police				
Fuel	-	-	17,083	(17,083)
Insurance - other	-	-	9,297	(9,297)
Repairs and maintenance	2,400	2,400	1,125	1,275
Reports	54,000	50,000	48,397	1,603
Salaries	120,000	120,000	127,057	(7,057)
Supplies	8,700	8,700	9,008	(308)
Taxes	-	-	11,162	(11,162)
Training	2,400	2,400	466	1,934
Travel	1,200	1,200	-	1,200
Telephone	1,740	1,740	-	1,740
Uniforms/equipment	31,800	31,800	23,137	8,663
Utilities	985	985	-	985
Total Police	223,225	219,225	246,732	(27,507)
Capital outlay	32,400	32,400	40,924	(8,524)
Total Expenditures	492,238	492,238	543,695	(51,457)

Continued

VILLAGE OF REEVES, LOUISIANA

Budgetary Comparison Schedule - General Fund - Continued

Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 62	\$ 62	\$ (80,417)	\$ (80,479)
OTHER FINANCING SOURCES (USES) Operating Transfers In (Out)	-	-	-	-
NET CHANGE IN FUND BALANCE	62	62	(80,417)	(80,479)
FUND BALANCE, BEGINNING	371,744	371,744	371,744	-
FUND BALANCE, ENDING	<u>\$ 371,806</u>	<u>\$ 371,806</u>	<u>\$ 291,327</u>	<u>\$ (80,479)</u>

OTHER INFORMATION

VILLAGE OF REEVES

Schedule of Compensation, Benefits and Other Payments
To Chief Executive Officer

Year Ended June 30, 2020

Chief Executive Officer: Chris Guillory, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-cell phone	-
Car allowance	-
Vehicle provided by government	-
Per diem	12,000
Reimbursements	-
Travel	-
Registration fees	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing Unvouchered expenses	-
Special meals	-

INDEPENDENT AUDITORS' RE/PORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

March 6, 2021

The Honorable Chris Guillory, Mayor
and the Board of Councilmen
Village of Reeves, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Village of Reeves, Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Village of Reeves, Louisiana's basic financial statements, and have issued our report thereon dated March 6, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or, significant

deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies.

Compliance and Other Matters

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

The Village of Reeves, Louisiana's Response to Findings

The Village of Reeves, Louisiana's response to the findings identified in our audit is described in the accompanying findings and responses. The Village of Reeves, Louisiana's response was not subjected to the auditing procedures in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Dragon, Casiday: Skully

VILLAGE OF REEVES, LOUISIANA

Schedule of Findings and Responses

Year Ended June 30, 2020

I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weaknesses(es) identified? yes no
- Control deficiencies identified that are
not considered to be material weakness(es)? yes none reported
- Noncompliance material to financial
statements noted? yes no

II – Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding #2020-001:

Inadequate Segregation of Duties

Condition: Because of the small size of the Village's office staff, the opportunity for segregation of duties is limited. Effective internal control requires adequate segregation of duties among entity personnel.

Effect: Without proper segregation of duties, misstatements in amounts may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

Management Response/Corrective Action Planned: Management has responded that it does not believe that it is cost effective to employ adequate personnel to achieve appropriate segregation of duties. Management has implemented supervision and review procedures such as review and approval of supporting documents related to expenditures, review listings of revenue received and review of bank reconciliations on a monthly basis.

VILLAGE OF REEVES, LOUISIANA

Schedule of Findings and Responses - Continued

Year Ended June 30, 2020

Finding 2020-002:

Budgetary Authority and Control

Condition: Inadequate budgeting procedures resulted in general fund revenues and expenditures being under and over, respectively budget by 5% or more and an amended budget was not performed.

Criteria: Inadequate budgeting procedures.

Effect: Violation of Louisiana Revised Statute 39:1310.

Cause: Administrative lack of oversight.

Recommendation: The Village should review actual revenues and expenditures on an interim basis and amend the budget if necessary.

Corrective Action Planned/Management Response: The Village agrees with the finding and will implement the recommendations.

III – Findings and Questioned Costs for Federal Awards

- N/A

IV – Prior Year Findings

Finding #2019-001: Inadequate Segregation of Duties

Status: This is repeat finding in 2020