

VILLAGE OF HODGE, LOUISIANA
ANNUAL FINANCIAL REPORT
JUNE 30, 2025

Village of Hodge, Louisiana
Financial Report
June 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the Mayor and Aldermen of the
Village of Hodge, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and major funds of the Village of Hodge (“Village”) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Village’s basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, major funds, and, where applicable, cash flows thereof of the Village of Hodge as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 and the *Louisiana Governmental Audit Guide*. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village’s ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, and Schedule of Employer's Contributions, on pages 42 through 46 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted 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.

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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village’s basic financial statements. The accompanying Schedule of Compensation, Benefits, and Other Payments to the Agency Head and Justice System Funding Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information 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 prepare the basic financial statements or to 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 the Agency Head and the Justice System Funding Schedule are fairly stated, in all material respects, in relation to the 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 December 24, 2025, on our consideration of the Village’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village’s internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated December 24, 2025, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor’s statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier
Certified Public Accountants
Natchitoches, Louisiana

December 24, 2025

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Village of Hodge
Hodge, Louisiana

Statement of Net Position
As of June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and equivalents	\$ 192,045	\$ 113,259	\$ 305,304
Accounts receivable	51,707	35,631	87,338
Cash and equivalents - restricted	-	49,870	49,870
Capital assets (net of accumulated depreciation)	1,305,590	1,040,223	2,345,813
Total Assets	\$ 1,549,342	\$ 1,238,983	\$ 2,788,325
Deferred Outflows of Resources			
Pension	\$ 75,150	\$ -	\$ 75,150
Total Deferred Outflows of Resources	\$ 75,150	\$ -	\$ 75,150
Liabilities			
Accounts payable	\$ 35,686	\$ 10,515	\$ 46,201
Payroll liabilities	8,516	-	8,516
Due to Hodge Utility Operating Company	-	16,967	16,967
Customer meter deposits	-	44,099	44,099
MPERS Payable	27,896	-	27,896
Long-term liabilities - current	6,297	-	6,297
Long-term liabilities - noncurrent	173,259	-	173,259
Total Liabilities	\$ 251,654	\$ 71,581	\$ 323,235
Deferred Inflows of Resources			
Pension	\$ 94,247	\$ -	\$ 94,247
Total Deferred Inflows of Resources	\$ 94,247	\$ -	\$ 94,247
Net Position			
Net investment in capital assets	\$ 1,277,918	\$ 1,040,223	\$ 2,318,141
Unrestricted	674	127,180	127,854
Total Net Position	\$ 1,278,592	\$ 1,167,403	\$ 2,445,995

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

Village of Hodge
Hodge, Louisiana

Statement of Activities
For the Year Ended June 30, 2025

Expenses	Major Funds			Net (Expense) Revenue and Changes in Net Position			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<u>Functions/Programs</u>							
Primary government							
Governmental activities							
General government	\$ 429,902	\$ 4,054	\$ -	\$ -	\$ (425,848)	\$ -	\$ (425,848)
Police	374,912	109,441	-	-	(265,471)	-	(265,471)
Fire	47,545	-	-	-	(47,545)	-	(47,545)
Highways and streets	310,730	-	-	112,510	(198,220)	-	(198,220)
Services to related party	134,193	164,213	-	-	30,020	-	30,020
Total governmental activities	\$ 1,297,282	\$ 277,708	\$ -	\$ 112,510	\$ (907,064)	\$ -	\$ (907,064)
Business-type activities							
Water, sewer, and sanitation	266,145	205,770	1,100	9,000	-	(50,275)	(50,275)
Total primary government	\$ 1,563,427	\$ 483,478	\$ 1,100	\$ 121,510	\$ (907,064)	\$ (50,275)	\$ (957,339)

General Revenues

Taxes:

Property taxes, levied for general purposes	\$ 300,564	\$ -	\$ 300,564
Sales taxes	420,044	-	420,044
Franchise taxes	2,747	-	2,747
Licenses	32,864	-	32,864
Intergovernmental	37,415	-	37,415
Investment earnings	107	47	154
LWCC Dividend	13,055	-	13,055
Rent, royalties, and commissions	150	-	150
Other revenue	25,258	3,553	28,811
Gain (loss) on sale of fixed assets	-	7,275	7,275
Operating transfers	73,456	(73,456)	-
Total general revenues and transfers	\$ 905,660	\$ (62,581)	\$ 843,079
Change in net position	(1,404)	(112,856)	(114,260)
Net position - June 30, 2024	1,279,998	1,280,258	2,560,256
Net position - June 30, 2025	\$ 1,278,594	\$ 1,167,402	\$ 2,445,996

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

FUND FINANCIAL STATEMENTS

Village of Hodge
Hodge, Louisiana

Balance Sheet - Governmental Funds
As of June 30, 2025

	Governmental Funds
Assets	
Cash and equivalents	\$ 192,045
Accounts receivable	51,707
Total Assets	243,752
Liabilities & Fund Balances	
Liabilities:	
Accounts payable	\$ 35,686
Payroll liabilities	8,516
MPERS Payable	27,896
Total Liabilities	72,098
Fund balances:	
Unassigned	171,652
Total Fund Balances	171,652
Total Liabilities & Fund Balances	\$ 243,750

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

Village of Hodge
Hodge, Louisiana

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
As of June 30, 2025

Total Fund Balances at June 30, 2025 - Governmental Funds (Statement C)	\$	171,652
Total Net Position reported for governmental activities in the Statement of Net Position (Statement A) are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds, net of depreciation.		1,305,590
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Long-term liabilities		(179,556)
Deferred outflows of resources		75,150
Deferred inflows of resources		(94,247)
		<hr/>
Net Position at June 30, 2025	\$	<u><u>1,278,589</u></u>

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

Village of Hodge
Hodge, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the Year Ended June 30, 2025

		General Fund
Revenues		
Taxes:		
Ad valorem tax	\$	300,564
Franchise tax		2,747
Sales tax		420,044
Licenses and permits		32,864
Capital grant		112,510
Intergovernmental:		
Fire insurance rebate		4,315
Police supplemental pay and witness fees		30,810
Streets maintenance		2,290
Fines, forfeitures, and court costs		109,441
Rent, royalty, and commission		150
Charges for services		168,266
Miscellaneous		16,913
Total revenues		1,200,914
Expenditures		
Current:		
General government		378,368
Public safety		
Police		343,921
Fire		35,354
Streets		255,187
Services to related party		133,761
Capital outlay		208,696
Total expenditures		1,355,287
Excess (deficiency) of revenues over (under) expenditures		(154,373)
Other financing sources (uses)		
Interest earnings		107
LWCC Dividend		13,055
Debt proceeds		35,633
Debt payment		(14,900)
Debt interest		(95)
Operating transfers		73,456
Total other financing sources (uses)		107,256
Net changes in fund balances		(47,117)
Fund balances - June 30, 2024		218,769
Fund balances - June 30, 2025	\$	171,652

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

Village of Hodge
Hodge, Louisiana

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Funds Balances to the Statement of Activities
For the Year Ended June 30, 2025

Total net change in Fund Balances - Governmental Funds (Statement E)	\$	(47,117)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay differs from depreciation for the period.

Depreciation	(128,175)
Capital outlay	208,696

Lease principal expense, which is considered an other financing use on the Statement of Revenues, Expenditures, and Changes in Fund Balance (Statement E), is a reduction of the lease payable on the Government-Wide Statements. Lease proceeds, which is considered an other financing sources on the Statement of Revenues, Expenditures, and Changes in Fund Balance (Statement E), is an increase in assets on the Government-Wide Statements.

Debt principal expense	14,900
Debt proceeds	(35,633)

Net pension liability increase	<u>(14,077)</u>
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Change in net position of governmental activities (Statement B)	\$	<u><u>(1,406)</u></u>
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Village of Hodge
Hodge, Louisiana

Statement of Net Position - Proprietary Fund
As of June 30, 2025

	Utility Fund
Assets	
Current Assets:	
Cash and equivalents	\$ 113,259
Accounts receivable	35,631
Due from other funds	-
Total Current Assets	148,890
Noncurrent Assets:	
Cash and equivalents - restricted	49,870
Capital assets (net of accumulated depreciation)	1,040,223
Total Noncurrent Assets	1,090,093
Total Assets	1,238,983
Liabilities	
Current Liabilities:	
Accounts payable	10,515
Due to Hodge Utility Operating Company	16,967
Due to other funds	-
Total Current Liabilities	27,482
Current liabilities payable from restricted assets	
Customer meter deposits	44,099
Total Liabilities	71,581
Net Position	
Net investment in capital assets	1,040,223
Unrestricted	127,180
Total Net Position	\$ 1,167,403

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

Village of Hodge
Hodge, Louisiana

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund
For the Year Ended June 30, 2025

	Utility Fund
Operating Revenues	
Water sales	\$ 95,890
Sewer fees	55,380
Sanitation fees	54,500
Operating grant	1,100
Miscellaneous income	3,553
Total operating revenues	210,423
Operating Expenses	
Personnel services	53,929
Supplies	20,224
Repairs and maintenance	36,577
Contractual services	68,227
Miscellaneous	14,691
Depreciation	72,496
Total operating expenses	266,144
Operating Income (Loss)	(55,721)
Non-operating Revenues (Expenses)	
Interest earnings	47
Capital grant	9,000
Gain (loss) on sale of fixed asset	7,275
Total non-operating revenues (expenses)	16,322
Income (loss) before transfers	(39,399)
Transfers	(73,456)
Change in net position	(112,855)
Total Net Position - June 30, 2024	1,280,258
Total Net Position - June 30, 2025	\$ 1,167,403

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

Village of Hodge
Hodge, Louisiana

Statement of Cash Flows - Proprietary Fund
For the Year Ended June 30, 2025

	Utility Fund
Cash flows from operating activities	
Cash received from customers	\$ 174,791
Cash payments to suppliers for goods and services	(101,303)
Cash payments to employees for services	(53,929)
Net cash provided by (used for) operating activities	19,559
Cash flows from non-capital financing	
Transfers to and from other funds	(73,456)
Net cash provided by (used for) non-capital financing activities	(73,456)
Cash flows from capital and related financing activities	
Capital grant	9,000
Gain (loss) on sale of equipment	7,275
Acquisition of capital assets	(10,783)
Net cash provided by (used for) capital and related financing activities	5,492
Cash flows from investing activities	
Interest earnings	47
Net cash provided by (used for) investing activities	47
Net increase (decrease) in cash and cash equivalents	(48,358)
Cash and cash equivalents - June 30, 2024	211,486
Cash and cash equivalents - June 30, 2025	\$ 163,128
Reconciliation of operating income to net provided by operating activities	
Operating income	\$ (55,722)
Adjustments	
Depreciation	72,496
Net changes in assets and liabilities	
Accounts receivable	1,741
Customers' meter deposits	(4,681)
Accounts payable	8,299
Due to HUOC	(2,574)
Net cash provided for (used for) operating activities	\$ 19,559

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

NOTES TO FINANCIAL STATEMENTS

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2025

INTRODUCTION

The Village of Hodge, Louisiana (Village), was incorporated January 31, 1928, under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Aldermen form of government with three aldermen. Services provided by the Village include police protection, fire protection, sanitation, services to others, and street maintenance. The Village also operates a water distribution system and sewer system for approximately 275 customers. The Village is located in Jackson Parish, Louisiana.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Village applies all relevant GASB pronouncements, as applicable to governmental entities. Also, the Village's financial statements are prepared in accordance with the requirements of Louisiana R.S. 24:513, the Louisiana Municipal Audit and Accounting Guide and to the industry guide, Audits of State and Local Government Units, published by the American Institute of Certified Public Accountants.

B. Reporting Entity

GASB Statement No. 14, The Financial Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village is considered a primary government, since it is a general purpose local 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 bonded debt.

GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, establishes criteria for determining which, if any, component units should be considered part of the Village for financial reporting purposes. GASB Statement No. 61 provides additional criteria for classifying entities as component units. The basic criterion for including a potential component unit within the reporting entity is financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
 - i. The ability of the government to impose its will on that organization and/or
 - ii. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government and there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2025

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the above criteria, no component units were identified for the Village of Hodge.

C. Government-Wide Financial Statements

The Village's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements present summaries of the governmental activities and the business-type activities for the Village. Fiduciary activities of the Village are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Village of Hodge's governmental activities.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the Village's taxpayers or citizenry, including (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program; program revenues reduce the cost of the function to be financed from the Village's general revenues.

Direct Expenses - The Village reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

Indirect Expenses - The Village reports all indirect expenses separately on the Statement of Activities (Statement B). Indirect expenses are those expenses that are not clearly identifiable with a function. Interest on long-term debt is considered an indirect expense.

General revenues are taxes and other items that are not properly included among program revenues. The effect of interfund activity has been removed from the government-wide financial statements.

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2025

D. Fund Financial Statements

The accounts of the Village of Hodge are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, expenditures or expenses, as appropriate, additions, and deductions. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements. Funds of the Village are classified into two categories: governmental and proprietary.

Governmental Funds

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The Village has presented all major funds.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the Balance Sheets. Amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. Long-term debts are reported as an other financing source, and repayment of long-term debt is reported as an expenditure. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon thereafter to pay liabilities of the current period. Accordingly, revenues are recorded when received in cash and when collected within 60 days after year-end. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

The Village of Hodge reports the following major governmental funds:

General Fund - The primary operating fund of the Village, the General Fund, accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Village policy.

Revenues

The governmental funds use the following practices in recording revenues:

Those revenues susceptible to accrual are property taxes, franchise taxes, and charges for services. Fines and permit and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2025

Entitlements and shared revenues are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred, all other grant requirements have been met, and the susceptible-to-accrual criteria have been met.

Interest earnings are recorded when the investments have matured and the interest is available.

Expenditures

The governmental funds use the following practices in recording expenditures:

Salaries are recorded as expenditures when earned by employees.

Purchases of various operating supplies, etc. are recorded as expenditures when the related fund liability is incurred.

Compensated absences are recognized as expenditures when leave is actually taken or when employees, or their heirs, are paid for accrued leave upon retirement or death.

Principal and interest on long-term debt are recognized when due.

Other Financing Sources (Uses)

The governmental funds use the following practices in recording other financing sources (uses):

Transfers between funds that are not expected to be repaid, sales of fixed assets, and long-term debt proceeds and payments, are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Proprietary Funds

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total position) is segregated into three components-net investment in capital assets, restricted net position, and unrestricted net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total position. The proprietary funds use the accrual basis of accounting, where revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of the related cash flows.

The Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis are financed 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 purpose.

Village of Hodge
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Notes to the Financial Statements
As of and for the year ended June 30, 2025

The Enterprise Fund of the Village of Hodge is the Water and Sewer Fund, which accounts for the operations of the waterworks and sewerage systems. The intent of the Village for these facilities is (a) that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Revenues and Expenses

Operating revenues in the proprietary fund are those that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

E. Equity Classifications

The Village of Hodge has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.

In the Government-Wide Financial Statements and the Proprietary Fund Financial Statements, the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and reported in three components:

Net investment in capital assets: This classification 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 these assets.

Restricted net position: This classification consists of net position with constraints placed on its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provision or enabling legislation.

Unrestricted net position: Any other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

The Governmental Fund Financial Statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Village did not have any nonspendable funds for the year ended June 30, 2025.

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
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Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Village did not have any restricted funds for the year ended June 30, 2025.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Aldermen. These amounts cannot be used for any other purpose unless the Board of Aldermen removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board typically establishes commitments through the adoption and amendment of the budget. The Village did not have any committed funds for the year ended June 30, 2025.

Assigned: This classification includes amounts that are constrained by the Village's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Aldermen or through the Board delegating this responsibility to a body or official (Mayor) for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Village has no assigned funds for year ended June 30, 2025.

Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts. The Village has unassigned funds of \$171,652 for year ended June 30, 2025.

The Village would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

F. Budgets

The Mayor prepares a proposed budget and submits it to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted. The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. The Board of Aldermen may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. The Village utilizes formal budgetary integration as a management control device for all funds.

The 2024-2025 general fund budget was published in the official journal and made available for public inspection. A public hearing for the proposed budget was held on June 4, 2024, and the budget was adopted by the Board of Aldermen. An amendment was adopted on June 17, 2025.

Village of Hodge
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Notes to the Financial Statements
As of and for the year ended June 30, 2025

G. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village of Hodge may deposit funds in demand deposits in stock-owned federally insured depository institutions organized under the laws of the state of Louisiana or of any other state of the United States, or under the laws of the United States. The Village may invest in certificates and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For the purposes of the statement of cash flows, cash equivalents include all highly liquid investments with a maturity date of 90 days or less when purchased.

Under state law, the Village may invest in United States bonds, treasury notes, or certificates. Those with maturities of 90 days or less would be classified as cash equivalents and all other reported as investments.

The Village reports restricted assets on the Statement of Net Position (Statement A), which includes restricted cash (customer deposits) that is collected by the Water and Sewer Department.

H. Investments

The Village of Hodge's investments comply with Louisiana Revised Statute 33:2955. Under state law, the Village may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Village may invest in United States bonds, treasury notes and bills, or government-backed agency securities or certificates, and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. These deposits are classified as investments if their original maturities exceed 90 days. Investments are stated at fair value except for those which are permitted under GASB Statement No. 31 to use a different valuation measurement.

In accordance with paragraph 69 of GASB Statement No. 72, the Village reports at amortized cost money market investments and participating interest-bearing investment contracts that have a remaining maturity at the time of purchase of one year or less. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

I. Interfund Receivables and Payables

Activity between funds that is representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" on the fund financial statements balance sheets, as well as all other outstanding balances between funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

J. Inventories

Inventories of supplies in the Proprietary Fund are not material and are charged to operations as purchased.

Village of Hodge
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Notes to the Financial Statements
As of and for the year ended June 30, 2025

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are recorded in the applicable governmental or business-type activities columns of the government-wide financial statements, but are not reported in the governmental fund financial statements. Acquisitions of property and equipment are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the Statement of Activities.

Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Depreciation is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. The estimated useful life for classes of assets are as follows:

Buildings	40 years
Water and Sewer Systems	10-40 years
Machinery and Equipment	5-15 years
Improvements other than Buildings	20 year
Infrastructure - Asphalt Streets	20 years

In accordance with GASB Statement No. 34, general infrastructure capital assets consisting of streets, bridges, sidewalks, and drainage systems acquired before July 1, 2003, are excluded from capital assets.

L. Deferred Outflows of Resources

The Village reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The Village reported \$75,150 in deferred outflows of resources due to the net pension liability.

M. Compensated Absences

Employees earn either one, two, or three weeks of vacation time each year, depending upon years of service. Employees earn seven days to six weeks of sick leave each year. Vacation and sick leave cannot be accumulated.

N. Deferred Inflows of Resources

The Village reports increases in net position that relate to future periods as deferred inflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The Village will not recognize the related revenues until a future event occurs. The Village reported \$94,247 of deferred inflows of resources due to the net pension liability.

Village of Hodge
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Notes to the Financial Statements
As of and for the year ended June 30, 2025

O. Interfund Transactions

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or enterprise funds are netted as part of the reconciliation to the government-wide financial statements.

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient fund and as an expenditure by the providing fund.

Activity between funds that is representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from other funds" or "due to other funds" on the Fund Financial Statements Balance Sheet (Statement C), as well as all other outstanding balances between funds.

In the process of aggregating data for the Statement of Net Position (Statement A) and the Statement of Activities (Statement B), some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

P. Estimates

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

2. Ad Valorem Tax

All ad valorem tax receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts through the establishment of an allowance account. Ad valorem taxes are levied on a calendar year basis and become delinquent on December 31. The Village bills and collects its own ad valorem taxes. For the 2024 ad valorem taxes, one rate of tax was levied on property within the corporate limits, as follows:

6.95 mills for the general maintenance of the Village

This millage was approved by the Board of Aldermen on September 10, 2024. This millage is the maximum millage that can be assessed without the approval of the voters of the Village.

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Notes to the Financial Statements
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The following entities are the principal taxpayers and related ad valorem tax revenue for the Village:

WestRock	\$ 274,791
De Lage Landen Financial Services, Inc.	5,232
Hodge Bank and Trust	4,851
Kansas City Southern Railroad	2,035
Dollar General	1,058
Total	<u>\$ 287,967</u>

3. Sales Tax

The qualified electors of the Village of Hodge, under the provisions of Louisiana Revised Statute 47:338.1, authorized a one percent sales and use tax levy to be dedicated and used for the purpose of providing funding for any lawful corporate purpose of the Village for an undefined period of time. The tax was first levied on December 1, 1983.

4. Cash, Cash Equivalents, and Investments

At June 30, 2025, the Village had cash and cash equivalents (book balances) totaling \$355,174, including \$350 cash on hand. 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.

At June 30, 2025, the Village had \$366,020 in deposits (collected bank balances). These deposits are secured from risk by \$362,620 federal deposit insurance and \$69,662 in pledged securities. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 40, Louisiana Revised Statute 30:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand. Louisiana R.S. 39:1224 requires bonds, or other such instruments furnished as security, to be deposited with the depositing authority or with an unaffiliated bank or trust company, Federal Reserve Bank, or any Federal Home Loan Bank or its successor. This security is deemed to be under the control and in the possession of the public entity and deemed to be held in its name.

Cash and investments are categorized to give an indication of the level of risk assumed by the Village at June 30, 2025. Deposits are considered to be exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the the pledging financial institution's trust department or agent but not in the depositor-government's name. The Village of Hodge has cash and cash equivalents that are covered by \$362,620 of federal depository insurance and \$69,662 in pledged securities.

At June 30, 2025, the Village had no investments.

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2025

5. Receivables

The receivables of \$87,339 at June 30, 2025, are as follows:

	Fund		
	General	Enterprise	Total
Services	\$ -	\$ 35,631	\$ 35,631
Ad Valorem	-	-	-
Franchise fees	442	-	442
2% Fire Insurance Rebate	4,315	-	4,315
Grants	-	-	-
Hodge Utility Operating Company	7,379	-	7,379
Parish government	-	-	-
State - DOTD	1,145	-	1,145
Sales taxes	33,829	-	33,829
Employee receivable	-	-	-
Lease receivable	-	-	-
Other	4,598	-	4,598
Total	\$ 51,707	\$ 35,631	\$ 87,339

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2025

6. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2025, is as follows:

A. Capital Assets - Governmental Funds

	Balance, July 01, 2024	Additions	Deletions	Balance, June 30, 2025
Capital assets not depreciated				
Land	\$ 35,000	\$ -	\$ -	\$ 35,000
Construction in Progress	-	142,710	-	142,710
Total capital assets not being depreciated	<u>35,000</u>	<u>142,710</u>	<u>-</u>	<u>177,710</u>
Capital assets being depreciated				
Buildings	1,135,540	-	-	1,135,540
Improvements other than buildings	944,533	8,425	-	952,958
Furniture	39,724	-	-	39,724
Equipment	382,457	-	-	382,457
Vehicles	439,240	-	-	439,240
ROU-Vehicles	-	57,561	-	57,561
Total capital assets being depreciated	<u>\$ 2,941,493</u>	<u>\$ 65,986</u>	<u>\$ -</u>	<u>\$ 3,007,480</u>
Less accumulated depreciation				
Buildings	\$ 215,056	\$ 28,263	\$ -	\$ 243,318
Improvements other than buildings	829,539	44,134	-	873,673
Furniture	39,725	-	-	39,725
Equipment	266,835	30,365	-	297,199
Vehicles	400,271	19,658	-	419,929
ROU-Vehicles	-	5,756	-	5,756
Total accumulated depreciation	<u>1,751,425</u>	<u>128,175</u>	<u>-</u>	<u>1,879,600</u>
Capital assets, net	<u>\$ 1,190,068</u>	<u>\$ (62,189)</u>	<u>\$ -</u>	<u>\$ 1,127,880</u>
Governmental capital assets - net	<u>\$ 1,225,068</u>	<u>\$ 80,521</u>	<u>\$ -</u>	<u>\$ 1,305,590</u>

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2025

Functional Allocation of Depreciation Expense

General government	\$	32,136
Fire		12,191
Police		27,873
Highways and streets		55,543
Services to others		432
Total	\$	<u>128,175</u>

B. Capital Assets - Proprietary Funds

	Balance, July 01, 2024	Additions	Deletions	Balance, June 30, 2025
Capital assets not depreciated				
Land	\$	\$	\$	\$
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated				
Water System	\$ 460,936	\$ -	\$ -	\$ 460,936
Sewer System	1,364,349	-	-	1,364,349
Machinery and equipment	170,019	10,783	16,731	164,071
Total capital assets being depreciated	\$ 1,995,304	\$ 10,783	\$ 16,731	\$ 1,989,356
Less accumulated depreciation				
Water System	\$ 297,924	\$ 12,082	\$ -	\$ 310,007
Sewer System	460,122	53,850	-	513,972
Machinery and equipment	135,322	6,563	16,731	125,154
Total accumulated depreciation	\$ 893,368	\$ 72,496	\$ 16,731	\$ 949,133
Business-type activities capital assets, net	\$ 1,101,936	\$ (61,713)	\$ -	\$ 1,040,223

Functional Allocation of Depreciation Expense

Water	\$	12,082
Sewer		53,850
Machinery and equipment		6,563
Total	\$	<u>72,496</u>

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2025

7. Payables

The payables of \$82,613 at June 30, 2025, are as follows:

	Fund		
	General	Enterprise	Total
Accounts	\$ 35,686	\$ 10,515	\$ 46,201
Payroll liabilities	8,516	-	8,516
MPERS Payable	27,896	-	27,896
Total	<u>\$ 72,098</u>	<u>\$ 10,515</u>	<u>\$ 82,613</u>

8. Retirement Systems

A. Municipal Employees' Retirement System of Louisiana (System)

Plan Description

The Village of Hodge contributes to the Municipal Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System.

Any member of Plan B who was hired before January 1, 2013, can retire providing the member meets one of the following criteria:

1. Any age with 30 years of creditable service.
2. Age 60 with a minimum of ten or more years of creditable service.
3. Any age with ten years of creditable service eligible for disability benefits.
4. Survivor's benefits require five years creditable service at death of member.

Eligibility for retirement for Plan B members hired on or after January 1, 2013 is as follows:

1. Age 67 with seven or more years of creditable service.
2. Age 62 with ten or more years of creditable service.
3. Age 55 with thirty or more years of creditable service.
4. Any age with twenty five years of creditable service, exclusive of military service and unused side leave, with an actuarially reduced early benefit.

Generally, the monthly amount of the retirement shall consist of an amount equal to 2% of the employee's final compensation multiplied by his or her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Village of Hodge
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Notes to the Financial Statements
As of and for the year ended June 30, 2025

For the year ended June 30, 2025, the Village of Hodge's total payroll for all employees was \$573,262. Total covered payroll was \$206,008. Covered payroll refers to all compensation paid by the Village of Hodge to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810, or by visiting the System's website www.mersla.com.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2025, the actual employer contribution rate was 15.50% for Plan B, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The Village of Hodge's contributions to the System under Plan B for the year ending June 30, 2025 were \$31,386.

According to state statute, the System also receives one-fourth (1/4) of 1% of ad valorem taxes collected within the respective parishes except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Tax monies received from East Baton Rouge Parish are apportioned between the System and the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities. Non-employer contribution revenue for the current year is \$7,854.

Under Plan B, members are required by state statute to contribute 5.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Village of Hodge to the System monthly.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the Village reported a liability of \$134,877 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Village of Hodge's proportion of the Net Pension Liability was based on a projection of the Village of Hodge's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Village of Hodge's proportion was 0.222286%, which was an increase of 0.006350% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Village of Hodge recognized the system pension expense of \$21,549 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$2,151). Total pension expense for the Village was \$19,398.

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2025

At June 30, 2025, the Village of Hodge reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,281	\$ 1,103
Changes in assumption	-	5,021
Net difference between projected and actual earnings on pension plan	4,853	-
Changes in employer's proportion of beginning net pension liability	4,937	-
Differences between employer and proportionate share of contributions	-	48
Contributions after the measurement period	<u>28,841</u>	<u>-</u>
Total	<u>\$ 39,912</u>	<u>\$ 6,172</u>

The \$28,841 reported as deferred outflows of resources related to pensions resulting from Village of Hodge contributions subsequent to the measurement date will be recognized as an increase of Net Pension Liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30:	
2026	\$ 1,522
2027	10,444
2028	(4,023)
2029	(3,043)

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2025

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024, are as follows:

Valuation Date	06/30/24
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.85%
Inflation Rate	2.50%
Projected Salary Increases (including inflation and merit increases)	-1 to 2 years of service 9.5% -More than 2 years of service 4.6%
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 115% for males and females, each adjusted using their respective male and female MP2021 scales.
Employee mortality	PubG-2010(B) Employee Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales.
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and 120% for females with the full generational MP2021 scale.
Expected Remaining Service Lives	3 years for Plan B

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	56%	2.44%
Public fixed income	29%	1.26%
Alternatives	15%	0.65%
Totals	<u>100%</u>	<u>4.35%</u>
Inflation		<u>2.50%</u>
Expected arithmetic nominal return		<u>6.85%</u>

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2025

Discount Rate

The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Sensitivity of the Village of Hodge's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Village of Hodge's proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the Village of Hodge's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.85%) or one percentage-point higher (7.85%) than the current discount rate (assuming all other assumptions remain unchanged):

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	\$ 209,432	\$ 134,877	\$ 71,865

System Fiduciary Net Position

Detailed information about the System's fiduciary net position is available in the separately issued Municipal Employees' Retirement System of Louisiana Audit Report at www.mersla.com.

B. Municipal Police Employees' Retirement System of Louisiana (System)

Plan Description

The Village of Hodge contributes to the Municipal Police Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. Membership in the System is mandatory for all full-time police officers employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria.

Any member of the Plan who was hired before January 1, 2013, can retire providing the member meets on of the following criteria:

1. Any age with 25 years of creditable service.
2. Age 50 with a minimum of twenty or more years of creditable service.
3. Age 55 with a minimum of twelve years of creditable service.
4. After 20 years of creditable service at any age, with actuarially reduced benefit from age 55.

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2025

The monthly amount of benefits are 3 1/3% of their average final compensation (employee's average monthly earnings during the highest 36 consecutive or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Eligibility for retirement for members hired on or after January 1, 2013 is as follows:

Hazardous Duty

1. Any age with 25 years of creditable service.
2. Age 55 with twelve or more years of creditable service.
3. After 20 years of creditable service at any age, with actuarially reduced benefit from age 55.

Non Hazardous Duty

1. Any age with 30 years of creditable service.
2. Age 55 with twenty-five or more years of creditable service.
3. Age 60 with ten or more years of creditable service.
4. After 20 years of creditable service at any age, with actuarially reduced benefit from age 55.

The benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

The system also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended June 30, 2025, the Village of Hodge's total payroll for all employees was \$573,262. Total covered payroll was \$0. Covered payroll refers to all compensation paid by the Village of Hodge to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809, or by calling (225) 929-7411, or by visiting the System's website www.lampers.org.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2025, the actual employer contribution rate was 33.925%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The Village of Hodge's contributions to the System for the year ended June 30, 2025 were \$0.

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2025

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended June 30, 2025, and excluded from pension expense. Non-employer contribution revenue for the current year is \$488.

Members are required by state statute to contribute 10.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Village of Hodge to the System monthly.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the Employer reported a liability of \$17,006 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Village of Hodge's proportion of the Net Pension Liability was based on a projection of the Village of Hodge's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Village of Hodge's proportion was 0.001877%, which was a decrease of 0.003216% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Village of Hodge recognized pension expense of \$2,893 plus employer's amortization of change in proportionate share, differences between employer contributions and proportionate share of contributions, contributions made after the measurement date, which was \$130. Total pension expense was \$3,023.

At June 30, 2025, the Village of Hodge reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 921	\$ 514
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan	473	-
Changes in employer's proportion of beginning net pension liability	33,843	87,480
Differences between employer and proportionate share of contributions	-	82
Contributions after the measurement period	-	-
Total	<u>\$ 35,237</u>	<u>\$ 88,076</u>

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2025

There was no amount reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30:

2026	\$ (6,469)
2027	(38,658)
2028	(7,418)
2029	(295)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024, are as follows:

Valuation Date	06/30/24	
Actuarial Cost Method	Entry Age Normal Cost	
Actuarial Assumptions:		
Investment Rate of Return	6.750%, net of investment expense	
Inflation Rate	2.50%	
Mortality	<p>For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p>	
Projected Salary Increases	Years of Service	Salary Growth Rate
	1-2	12.30%
	Above 2	4.70%
Expected Remaining Service Lives	4 years	
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2025

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2014 through June 30, 2019, and review of similar law enforcement mortality. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality. The best estimates of the arithmetic rates of return for each major asset class included in the System's target allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	52%	3.14%
Fixed income	34%	1.07%
Alternatives	14%	1.03%
Totals	100%	5.24%
Inflation		2.62%
Expected arithmetic nominal return		7.86%

Discount Rate

The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Sensitivity of the Village of Hodge's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Village of Hodge's proportionate share of the net pension liability calculated using the discount rate of 6.750%, as well as what the Village of Hodge's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.750%) or one percentage-point higher (7.750%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	\$ 25,251	\$ 17,006	\$ 10,114

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Municipal Police Employees' Retirement System of Louisiana Audit Report at www.lampers.org.

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2025

9. Long-Term Obligations

During the year ended June 30, 2020, the Village entered into a capital lease-purchase agreement with Governmental Capital to finance a 2021 Ford Police Interceptor utility vehicle for five years at a 4.39% interest rate.

During the year ended June 30, 2025, the Village entered into a capital lease-purchase agreement with Governmental Capital to finance a 2025 Ford Police Interceptor utility vehicle for five years at 6.309% interest rate.

The following is a summary of the long-term obligation transactions for the year ended June 30, 2025:

Long-term obligation	Balance, July 01, 2024	Additions	Deletions	Balance, June 30, 2025
Net pension liability	\$ 226,958	\$ -	\$ 75,074	\$ 151,884
Capital lease purchase - 2021 Ford Police Interceptor	6,939	-	6,939	-
Capital lease purchase - 2025 Ford Police Interceptor	-	35,633	7,961	27,672
Total	<u>\$ 233,897</u>	<u>\$ 35,633</u>	<u>\$ 89,974</u>	<u>\$ 179,556</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of the year ended June 30, 2025:

Long-term obligation	Current portion	Long-term portion	Total
Net pension liability	\$ -	\$ 151,884	\$ 151,884
Capital lease purchase - 2025 Ford Police Interceptor	6,297	21,375	27,672
Total	<u>\$ 6,297</u>	<u>\$ 173,259</u>	<u>\$ 179,556</u>

The following is a summary of the present value of the net minimum lease payments:

2025 Ford Police Interceptor	Principal	Interest
January 30, 2026	\$ 6,297	\$ 1,746
January 30, 2027	6,694	1,349
January 30, 2028	7,116	926
January 30, 2029	7,565	477
Total	<u>\$ 27,672</u>	<u>\$ 4,498</u>

Village of Hodge
Hodge, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2025

10. Related Party Transactions

The Mayor and the Mayor Pro-Tem serve on the Board of Directors of the Hodge Utility Operating Company (HUOC) along with six members appointed by WestRock. HUOC operates and manages the water, sewerage, and electric generating facilities owned by the Village of Hodge Combined Utility System (another related party). HUOC is considered to be a related party, and during the year ended June 30, 2025, fees for services rendered were received in the Village's General Fund from HUOC in the amount of \$164,213 and expenses paid from the Village's General Fund to HUOC were \$133,761. Expenses paid to HUOC for the Village's utilities were \$2,550.

The Village provides various services to HUOC during the year, including the billing and collecting of electricity generated by HUOC for the Village's water and sewer customers. The amounts collected by the Village for HUOC are remitted to HUOC once a week. At June 30, 2025, there was \$16,967 due to HUOC.

11. Grants

The Village received grant revenues for the year ended June 30, 2025. From the Louisiana Watershed Initiative for drainage improvements, the Village received and expended \$77,510; from the State of Louisiana (Act 776), the Village received and expended \$25,000 for street improvements; and from the Delta Regional Authority, the Village received and expended \$10,000 for street improvements. In addition, the Village received \$9,000 from the Community Water Enrichment Fund (Louisiana) to purchase a VFD Pressure Transmitter for Water Well #3. Lastly, the Village received \$1,100 from the Low-Income Home Energy Assistance Program (LiHeap) to assist customers with their utility bills.

12. Risk Management and Economic Dependency

The Village is exposed to various risk of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, and injuries to employees. To handle such risk of loss, the Village maintains commercial insurance policies covering automobile liability and uninsured motorist, surety bond coverage, flood insurance, and property insurance. In addition to the above policies, the Village maintains a general liability policy and an errors and omissions policy. No claims were paid on any of the policies during the past three years, which exceeded the policies' coverage amount.

The Village is economically dependent upon WestRock Company, which provides the majority of property tax and sales and use tax revenue for the Village. There were no receivables at June 30, 2025, due from WestRock Company.

13. Litigation and Claims

At June 30, 2025, the Village was not involved in any lawsuits nor is aware of any outstanding claims, which are not covered by insurance.

14. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 24, 2025, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Village of Hodge
Hodge, Louisiana

Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2025

	Budget - Original	Budget - Final	Actual	Variance - Favorable (Unfavorable)
Revenues				
Taxes:				
Ad valorem tax	\$ 170,000	\$ 295,000	\$ 300,564	\$ 5,564
Franchise tax	2,500	2,500	2,747	247
Sales tax	675,000	407,000	420,044	13,044
Licenses and permits	27,000	27,000	32,864	5,864
Capital grant	-	-	112,510	112,510
Intergovernmental	34,810	34,810	37,415	2,605
Fines, forfeitures, and court costs	154,000	154,000	109,441	(44,559)
Rent, royalty, and commission	-	-	150	150
Charges for services	241,000	241,000	168,266	(72,734)
Miscellaneous	4,500	4,500	16,913	12,413
Total revenues	<u>1,308,810</u>	<u>1,165,810</u>	<u>1,200,914</u>	<u>35,104</u>
Expenditures				
Current:				
General government	-	321,400	378,368	(56,968)
Public safety				
Police	384,516	439,233	343,921	95,312
Fire	32,980	32,980	35,354	(2,374)
Streets	410,420	330,800	255,187	75,613
Services to related party	240,000	240,000	133,761	106,239
Capital outlay	25,000	25,000	208,696	(183,696)
Total expenditures	<u>1,092,916</u>	<u>1,389,413</u>	<u>1,355,287</u>	<u>34,126</u>
Excess (deficiency) of revenues over (under) expenditures	<u>215,894</u>	<u>(223,603)</u>	<u>(154,373)</u>	<u>69,230</u>
Other financing sources (uses)				
Interest earnings	100	100	107	7
LWCC Dividend	-	-	13,055	13,055
Proceeds from the sale of fixed assets	-	50,000	-	(50,000)
Debt proceeds	-	-	35,633	35,633
Debt payments	(15,000)	(15,000)	(14,900)	100
Debt interest	-	-	(95)	(95)
Operating transfers	20,000	20,000	73,456	53,456
Total other financing sources (uses)	<u>5,100</u>	<u>55,100</u>	<u>107,256</u>	<u>52,156</u>
Net changes in fund balances	<u>220,994</u>	<u>(168,503)</u>	<u>(47,117)</u>	<u>121,386</u>
Fund balances - June 30, 2024	<u>218,769</u>	<u>218,769</u>	<u>218,769</u>	<u>-</u>
Fund balances - June 30, 2025	<u>\$ 439,763</u>	<u>\$ 50,266</u>	<u>\$ 171,652</u>	<u>\$ 121,386</u>

Village of Hodge
Hodge, Louisiana

Schedule of Employer's Share of Net Pension Liability
Municipal Employees Retirement System
For the year ended June 30, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.22229%	0.21594%	0.20746%	0.11272%	0.06491%	0.03061%	0.06720%	0.06687%	0.06215%	0.06812%
Employer's proportionate share of the net pension liability (asset)	134,877	173,150	182,143	65,298	58,820	26,778	56,844	57,860	51,518	46,295
Employer's covered employee payroll	202,488	185,332	166,788	86,627	50,302	23,400	49,800	49,632	45,663	47,260
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	66.61 %	93.43 %	109.21 %	75.38 %	116.93 %	114.44 %	114.14 %	116.58 %	112.82 %	97.96 %
Plan fiduciary net position as a percentage of total pension liability	80.10%	73.25%	69.56%	79.14%	66.26%	66.14%	65.60%	63.49%	63.34%	66.18%

The amounts presented have a measurement date of the previous fiscal year end.

Village of Hodge
Hodge, Louisiana

Schedule of Employer's Share of Net Pension Liability
Municipal Police Employees Retirement System
For the year ended June 30, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.00188 %	0.00509 %	0.02152 %	0.00358 %	- %	0.00211 %	0.00033 %	- %	- %	0.00209 %
Employer's proportionate share of the net pension liability (asset)	17,006	53,807	219,952	19,067	-	19,199	2,773	-	-	16,365
Employer's covered employee payroll	-	17,255	65,505	10,912	-	6,644	-	-	-	5,586
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	- %	311.83 %	335.78 %	174.73 %	- %	288.97 %	- %	- %	- %	292.96 %
Plan fiduciary net position as a percentage of total pension liability	75.84 %	71.30 %	70.80 %	84.09 %	70.94 %	71.01 %	71.89 %	70.08 %	66.04 %	70.73 %

The amounts presented have a measurement date of the previous fiscal year end.

Village of Hodge
Hodge, Louisiana

Schedule of Employer Contributions
Municipal Employees Retirement System
For the year ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 28,841	\$ 31,386	\$ 28,727	\$ 25,852	\$ 13,427	\$ 7,042	\$ 3,276	\$ 6,599	\$ 5,460	\$ 4,338
Contributions in relation to contractually required contribution	28,841	31,386	28,727	25,852	13,427	7,042	3,276	6,599	5,460	4,338
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Employer's covered payroll	\$ 206,008	\$ 202,488	\$ 185,332	\$ 166,788	\$ 86,627	\$ 50,302	\$ 23,400	\$ 49,800	\$ 49,632	\$ 45,663
Contributions as a percentage of covered employee payroll	14.00 %	15.50 %	15.50 %	15.50 %	15.50 %	14.00 %	14.00 %	13.25 %	11.00 %	9.50 %

Village of Hodge
Hodge, Louisiana

Schedule of Employer Contributions
Municipal Police Employees Retirement System
For the year ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ -	\$ 2,245	\$ 5,392	\$ 19,488	\$ 3,683	\$ -	\$ 2,143	\$ -	\$ -	\$ -
Contributions in relation to contractually required contribution	-	2,245	5,392	19,488	3,683	-	2,143	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Employer's covered payroll	\$ -	\$ 6,618	\$ 17,255	\$ 65,505	\$ 10,912	\$ -	\$ 6,644	\$ -	\$ -	\$ -
Contributions as a percentage of covered employee payroll	- %	33.92 %	31.25 %	29.75 %	33.75 %	- %	32.25 %	- %	- %	- %

SUPPLEMENTARY INFORMATION

Village of Hodge
Hodge, LouisianaSchedule of Compensation Paid Aldermen
For the year ended June 30, 2025

	2025
Martha Buchan	\$ 8,400
Steve H. Fox	8,400
Willard Willis	8,400
	<hr/>
	\$ 25,200
	<hr/> <hr/>

Village of Hodge
Hodge, LouisianaSchedule of Compensation, Benefits and Other Payments to Agency Head
For the year ended June 30, 2025

Gerald Palmer Mayor	
Salary	\$ 47,000
Benefits - Retirement	6,639
Reimbursement	-
	<u>\$ 53,639</u>

Village of Hodge
Hodge, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity
For the year ended June 30, 2025

	First Six Month Period Ended 12/31/24	Second Six Month Period Ended 06/30/25
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	\$ -
Add: Collections (Please enter zeros if no activity within a certain collection type)		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	5,753	7,352
Criminal Fines - Contempt	-	-
Criminal Fines - Other	42,604	48,074
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	7,091	8,283
Interest Earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	-	-
Subtotal Collections	55,448	63,709
Less: Disbursements To Governments & Nonprofits: (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)		
CMIS	145	186
LCLE	292	372
LDH-THSCI Trust Fund	465	600
Louisiana Supreme Court	71	91
North Louisiana Crime Lab	310	460
Indigent Defender Board	1,560	1,932
Police Chief Association	1,351	1,779
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection (enter zero if no activity to report here)	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount (enter zero if no activity to report here)	7,091	8,283
Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other (To be reported as a separate line per collection type under this heading, multiple rows may be needed)	-	-

Village of Hodge
Hodge, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity
For the year ended June 30, 2025

Village of Hodge, Criminal Court Costs/Fees	1,560	1,932
Village of Hodge, Criminal Fines - Other	42,604	48,074

Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies
(Please enter zeros if no activity within a certain line item)

Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-

Subtotal Disbursements/Retainage	55,448	63,709
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Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ -	\$ -
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Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.	-	-
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Other Information:

Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	-	-
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Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	-	-
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OTHER REPORTS/SCHEDULES

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA, LLC
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

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INDEPENDENT AUDITORS' REPORT 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*

To the Mayor and Aldermen of the
Village of Hodge, Louisiana

We have audited, in accordance with the 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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, business-type activities, and major funds of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Village of Hodge's (Village) basic financial statements and have issued our report thereon dated December 24, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. 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, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

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. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

December 24, 2025

Village of Hodge, Louisiana
Schedule of Audit Results
For the Year Ended June 30, 2025

I. SUMMARY OF AUDIT FINDING

The following summarizes the audit results:

1. An unmodified opinion was issued on the basic financial statements of the Village of Hodge as of and for the year ended June 30, 2025.
2. The audit disclosed no instances of a material weakness in internal control that are required to be reported under *Government Auditing Standards*.
3. The audit disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.

II. FINDING IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None.

III. PRIOR YEAR AUDIT FINDINGS

For the year ended June 30, 2024, the Village had the following noncompliance findings:

2024-001 Local Government Budget Act

Condition – For the year ended June 30, 2025, the Village did not follow the requirements of the Local Government Budget Act in that proper amendments were not made to ensure the five percent variance for revenues and expenditures were met within the General Fund.

Status – At June 30, 2025, this condition was cleared.

2024-002 Late Submission of Report

Condition – For the year ended June 30, 2024, the Village did not submit the annual audit within six months after the close of their fiscal year.

Status – At June 30, 2025, this condition was cleared.

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**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING
STATEWIDE AGREED-UPON PROCEDURES**

To the Village of Hodge and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025. The Village of Hodge’s (Village) management is responsible for those C/C areas identified in the SAUPs.

The Village has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity’s written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the operations:
 - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - ***Disbursements***, including processing, reviewing, and approving.
 - ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and Prohibitions, (2) annual employee training, and (3) annual reporting.

Procedure Results: No exceptions were noted as a result of these procedures.

Board or Finance Committee

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
 - Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - Observed that the minutes referenced or included quarterly budget-to-actual comparisons on the proprietary fund.

- Obtained the prior year audit report and observed the unrestricted net position in the General Fund. If the General Fund had a negative ending unrestricted net position in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted net position in the General Fund.
- Observed whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management’s corrective action plan at each meeting until the findings are considered fully resolved.

Procedure Results: No exceptions were noted as a result of these procedures.

Bank Reconciliations

3. We obtained a listing of entity bank accounts for the fiscal period from management and management’s representation that the listing is complete. Management identified the entity’s main operating account. We selected the entity’s main operating account and randomly selected 4 additional accounts (or all if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
 - Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
 - Bank reconciliations included written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g. initialed and dated, electronically logged); and
 - Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedure Results: Exceptions were noted as a result of these procedures relating to no documentation reflecting the research of outstanding items.

Collections (excluding electronic funds transfers)

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money orders (cash) are prepared and management’s representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. We obtained a listing of collection locations and management’s representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, then inquired of employees about their job duties) at each collection location, and observed that job duties were properly segregated at each collection location such that:
 - Employees that are responsible for cash collections do not share cash drawers/registers.

- Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed that the bond or insurance policy for theft was in force during the fiscal period.
7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under “Bank Reconciliations” above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). We obtained supporting documentation for each of the deposits selected and:
- We observed that receipts are sequentially pre-numbered.
 - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - We traced the deposit slip total to the actual deposit per the bank statement.
 - We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - We traced the actual deposit per the bank statement to the general ledger.

Procedure Results: Exceptions were noted as a result of these procedures. Employees share cash drawers/registers, the employee responsible for collecting cash is also responsible for preparing bank deposits, and posting collection entries to the general ledger.

Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

8. We obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. We randomly selected the required amount of disbursement locations (or all locations if less than 5).
9. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquired of employees about their job duties), and we observed that job duties are properly segregated such that:

- At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
 - At least two employees are involved in processing and approving payments to vendors.
 - The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - Only employees/officials authorized to sign checks approved the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some electronic means.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:
- We observed that the disbursement, whether paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - We observed whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in procedure #3 under Bank Reconciliations, we randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. If no electronic payments were made from the main operating account during the month selected, we selected an alternative month and/or account for testing that does include electronic disbursements.

Procedure Results: No exceptions were noted as a result of these procedures.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

12. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
13. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly selected one monthly bank statement), and obtained supporting documentation, and:

- We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - We observed that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (a) an original itemized receipt that identified precisely what was purchased, (b) written documentation of the business/public purpose, and (c) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Procedure Results: No exceptions were noted as a result of these procedures.

Travel and Expense Reimbursement

15. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. We randomly selected 5 reimbursements, and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- If reimbursed using a per diem, we observed that the approved reimbursement rate is no more than those rates established by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - We observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1, 8th bullet).
 - We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure Results: No exceptions were noted as a result of these procedures.

Contracts

16. We obtained from management a listing of all agreements/contracts (or active vendor list) for professional services, materials, and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to 5) from the listing, excluding our contract, and:
- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - We observed whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment, the document approval).
 - We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Procedure Results: No exceptions were noted as a result of these procedures.

Payroll and Personnel

17. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
18. We randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, we obtained attendance records and leave documentation for the pay period, and:
- We observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - We observed that supervisors approved the attendance and leave of the selected employees or officials.
 - We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - We observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found with the personnel file.
19. We obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected two employees or officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. If applicable, we agreed the hours to the employee's or official's cumulative leave records, and the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and the termination payment to entity policy.

20. We obtained management’s representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers’ compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Procedure Results: No exceptions were noted as a result of these procedures.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, we obtained ethics documentation from management, and:
- We observed whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - We observed that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.
22. We inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Procedure Results: No exceptions were noted as a result of these procedures.

Debt Service

23. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management’s representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Procedure Results: No exceptions were noted as a result of these procedures.

Fraud Notice

25. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

26. We observed whether the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedure Results: No exceptions were noted as a result of these procedures.

Information Technology Disaster Recovery/Business Continuity

27. We performed the following procedures:

- We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
- We obtained a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. We randomly selected the required number of computers (at least 5) and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

28. We randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19, and observed evidence that the selected terminated employees have been removed or disabled from the network.

Procedure Results: We performed the procedures and discussed the results with management.

Prevention of Sexual Harassment

29. We randomly selected the employees/officials from procedure #17 under "Payroll and Personnel" above, obtained sexual harassment training documentation from management, and observed that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
30. We observed that the entity has posted its sexual harassment policy and complaint procedures on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
31. We obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that it includes the applicable requirements of R.S. 42:344:
- Number and percentage of public servants in the agency who have completed the training requirements;
 - Number of sexual harassment complaints received by the agency;

- Number of complaints which resulted in a finding that sexual harassment occurred;
- Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- Amount of time it took to resolve each complaint.

Procedure Results: No exceptions were noted as a result of these procedures.

We were engaged by the Village to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana
December 24, 2025

Village of Hodge
Management's Responses to Exceptions to
Statewide Agreed-Upon Procedures
June 30, 2025

Bank Reconciliation –

Procedure Results: The results of these procedures identified exceptions were noted as a result of these procedures relating to no documentation reflecting the research of outstanding items.

Response: When completing reconciliations monthly, the Village of Hodge will review items older than 90 days to determine if transactions need to be cancelled or re-issued.

Collections-

Procedure Results: Employees share cash drawers/registers, the employee responsible for collecting cash is also responsible for preparing bank deposits and posting collection entries to the general ledger.

Response: Because the Clerk does not collect a substantial amount of deposits, the Village does not consider a second cash drawer is necessary. The Assistant Clerk was responsible for collecting cash, preparing deposits, and posting entries to the general ledger. The process will be changed, and the Clerk will now post collection entries to the general ledger and complete bank reconciliations. The contract accountant reviews deposits and bank reconciliations at month end, and an Alderman also reviews bank reconciliations at month end.