

VILLAGE OF DODSON

**FINANCIAL REPORT
JUNE 30, 2017**

**SHANNA JONES, CPA
WINNFIELD, LOUISIANA**

VILLAGE OF DODSON
FINANCIAL REPORT
JUNE 30, 2017

TABLE OF CONTENTS

	Page
REQUIRED SUPPLEMENTARY INFORMATION:	
Management’s Discussion and Analysis	M-1
INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	6
Statement of Activities	7
Fund Financial Statements:	
Balance Sheet—Governmental Funds	9
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	10
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	12
Statement of Net Position—Proprietary Fund	13
Statement of Revenues, Expenses and Changes in Fund Net Position—Proprietary Fund	14
Statement of Cash Flows—Proprietary Fund	15
NOTES TO FINANCIAL STATEMENTS	17
OTHER REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule—General Fund	27

VILLAGE OF DODSON
FINANCIAL REPORT
JUNE 30, 2017

TABLE OF CONTENTS (continued)

	Page
OTHER SUPPLEMENTARY INFORMATION:	
Schedule of Compensation for Agency Head	29
STATEWIDE AGREED-UPON PROCEDURES:	
Independent Accountant’s Report on Applying Louisiana Legislative Auditor’s Statewide Agreed-Upon Procedures	30
Louisiana Agreed-upon Procedures Representation Form	41
COMPLIANCE AND OTHER MATTERS:	
Independent Auditor’s Report Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	45
Schedule of Audit Findings	47

Village of Dodson

P. O. Box 86
Dodson, LA 71422

MANAGEMENT'S DISCUSSION & ANALYSIS

The Management's Discussion and Analysis of the Village of Dodson's (the Village) financial performance presents a narrative overview and analysis of Village of Dodson's financial activities for the years ended June 30, 2017 and 2016. The Village's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The Village's net position on June 30, 2017 was \$1,924,871 and \$2,008,707 on June 30, 2016. The net position is made up largely of Capital assets. The Village has \$1,499,650 in Capital Assets as of June 30, 2017 with no debt associated with it.

During fiscal year ended June 30, 2017 a decrease of \$49,642 over prior year expenses was noted in Governmental Expenditures. Personnel and Related Benefits continue to be the highest costs of the General Government. In the Business-type activities Operating Expenses are lower than prior year by \$26,106. However, these expenses continue to exceed charges for the water and sewer services, causing a loss for the Village. The Business-type activities also had state grant monies receivable as of June 30, 2017 in the amount of \$4,687 for reimbursement of operating repair expenditures made during the fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Village of Dodson's financial position and results of operations from differing perspectives which are described as follows:

GOVERNMENTAL-WIDE FINANCIAL STATEMENTS—This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. These statements tell how the services were financed in the short-term as well as what remains for future spending.

FUND FINANCIAL STATEMENTS—A fund is an accountability unit used to maintain control over resources segregated for specific activities. The Village uses funds to ensure and demonstrate compliance with finance related laws and regulations. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources at the end of the year.

As the Government-wide Financial Statements includes the long-term view, comparisons between these two views may provide insight into the long-term impact as short-term financing decreases. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the difference between these two views.

Village of Dodson

MANAGEMENT'S DISCUSSION & ANALYSIS (continued)

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents Other Required Supplementary Information consisting of a comparison of budgeted revenues and expenditures to actual revenues and expenditures.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Village as a whole.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	2017		2016	
	Governmental	Business-type	Governmental	Business-type
Assets:				
Current	\$ 302,851	\$ 149,601	\$ 325,957	\$ 120,905
Non-Current:				
Capital Assets (Net)	<u>308,117</u>	<u>1,191,533</u>	<u>350,536</u>	<u>1,254,591</u>
Total Assets	<u>610,968</u>	<u>1,341,134</u>	<u>676,493</u>	<u>1,375,496</u>
Liabilities:				
Current:				
Unrestricted	9,326	3,929	22,671	8,433
Restricted	<u>-</u>	<u>13,976</u>	<u>-</u>	<u>12,178</u>
Total Liabilities	<u>9,326</u>	<u>17,905</u>	<u>22,671</u>	<u>20,611</u>
Net Position:				
Invested in Capital Assets	308,117	1,191,533	350,536	1,254,591
Restricted	-	13,976	-	12,178
Unrestricted	<u>293,525</u>	<u>117,720</u>	<u>303,286</u>	<u>88,116</u>
Total Net Position	<u>\$ 601,642</u>	<u>\$ 1,323,229</u>	<u>\$ 653,822</u>	<u>\$ 1,354,885</u>

Village of Dodson

MANAGEMENT'S DISCUSSION & ANALYSIS (continued)

Rather than present the Statement of Net Activities, this comparative data shows a Summary of Changes in of Net Position:

	2017		2016	
	Governmental	Business-type	Governmental	Business-type
Revenues:				
Program Revenues—				
Charges for Services, Fines, Commissions	\$ 407,667	\$ 93,026	\$ 364,674	\$ 103,202
Operating Grants & Contributions	-	4,687	-	7,819
Capital Grants & Contributions	-	-	-	-
General Revenues—				
Ad Valorem Taxes	9,340	-	8,334	-
Franchise Taxes	6,553	-	6,566	-
Rental Income	4,750	-	4,650	-
Licenses & Fees	18,484	-	18,310	-
Interest & Miscellaneous	1,969	121	1,661	88
Total Revenues	448,763	97,834	404,195	111,109
Expenditures:				
General Government	371,007	-	437,500	-
Public Safety	127,579	-	110,607	-
Public Works	19,062	-	19,183	-
Operating	-	115,095	-	141,201
Total Expenditures	517,648	115,095	567,290	141,201
Excess (Deficiency) of Revenues over (under) Expenditures	(68,885)	(17,261)	(163,095)	(30,092)
Other Financing Sources Uses:				
Sale of Asset	2,310		25,000	-
Transfers from Other Funds	14,395	-	12,181	-
Transfers to Other Funds	-	(14,395)	-	(12,181)
Total Other Financing Sources (Uses)	16,705	(14,395)	37,181	(12,181)
Changes in Net Position	\$ (52,180)	\$ (31,656)	\$ (125,914)	\$ (42,273)

Village of Dodson

MANAGEMENT'S DISCUSSION & ANALYSIS (continued)

FUNCTIONS OF EXPENSES

The total functions of the Village include general governmental activities, public safety and public works. In the business-type activities water and sewer services are provided.

GENERAL BUDGETARY HIGHLIGHTS

For the year ended June 30, 2017, total revenues and total expenditures were within the variance allowed by state law. Actual Revenues and Other Financing Sources exceeded Budgeted Revenues and Other Financing Sources by \$20,968 causing a favorable variance. Budgeted Expenditures exceeded Actual Expenditures by \$18,171 favorable variance.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village has prepared its fiscal year ended June 30, 2018 budget for the General Fund on the assumptions that revenues and expenditures will remain fairly consistent next year. Revenues and expenditures for the Proprietary Fund should also remain consistent during the next fiscal year.

CONTACTING THE VILLAGE

This financial report is designed to provide a general overview of the Village's finances, compliance with governmental financial reporting laws and regulations and demonstrate the Village's commitment to public accountability. If you have additional questions about this report or would like to request additional information, contact the Village of Dodson, P. O. Box 86, Dodson, LA 71422.

Shanna Jones, CPA

795 Big Creek Rd
Winnfield, LA 71483
792-8544

INDEPENDENT AUDITOR'S REPORT

To the Mayor & Aldermen
of the Village of Dodson
P.O. Box 86
Dodson, Louisiana

I have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of Village of Dodson, Louisiana as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 U.S. and the *Louisiana Governmental Audit Guide*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each

major fund, of the Village of Dodson as of June 30, 2017, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the U.S. require that Management's Discussion and Analysis and the Budgetary Comparison Schedules on pages M-1 through M-4 and page 27 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in appropriate operation, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the U.S., which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

As amended by Act 462 of 2015, Act 706 of the Louisiana 2014 Legislative Session requires a Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head or Chief Executive Officer supplement the financial statements. I have applied certain limited procedures to the required supplementary information presented on page 29, in accordance with auditing standards generally accepted in the U.S., which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

As allowed by Louisiana R.S. 24:513, the Louisiana Legislative Auditor has required governmental entities with public funds of \$500,000 or more to have certain agreed-upon procedures performed as included in the *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures* (SAUPs). The Village's management is responsible for those control and compliance (C/C) areas identified in the SAUPs, see pages 41-43. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Governmental Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report presented on pages 30-40. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated September 29, 2017, on my consideration of the Village of Dodson's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agree-

ments and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Village of Dodson's internal control over financial reporting and compliance.

Shanna Jones

Shanna Jones, CPA
Winnfield, Louisiana
September 29, 2017

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

VILLAGE OF DODSON
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Current Assets:			
Cash & Cash Equivalents	\$ 169,209	\$ 125,563	\$ 294,772
Receivables	128,450	10,062	138,512
Prepaid Expenses	5,192		5,192
Restricted Assets—Cash	<u>-</u>	<u>13,976</u>	<u>13,976</u>
Total Current Assets	302,851	149,601	452,452
Non-Current Assets:			
Capital Assets			
Depreciable (Net)	302,617	1,191,533	1,494,150
Non-Depreciable	<u>5,500</u>	<u>-</u>	<u>5,500</u>
Total Non-Current Assets	<u>308,117</u>	<u>1,191,533</u>	<u>1,499,650</u>
Total Assets	<u>610,968</u>	<u>1,341,134</u>	<u>1,952,102</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	5,757	3,929	9,686
Payroll & Related Liabilities	3,569	-	3,569
Restricted Liabilities—Customers’ Deposits	<u>-</u>	<u>13,976</u>	<u>13,976</u>
Total Current Liabilities	<u>9,326</u>	<u>17,905</u>	<u>27,231</u>
Net Position:			
Invested in Capital Assets	308,117	1,191,533	1,499,650
Restricted	-	13,976	13,976
Unrestricted	<u>293,525</u>	<u>117,720</u>	<u>411,245</u>
Total Net Position	<u>\$ 601,642</u>	<u>\$ 1,323,229</u>	<u>\$ 1,924,871</u>

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

VILLAGE OF DODSON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

<u>Program Activities</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue & Changes in Net Position</u>		
		<u>Fines, Fees, Commissions & Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:						
General & Admin	\$ 371,007	\$ 7,529	\$ -	\$ (363,478)		\$ (363,478)
Public Safety	127,579	400,138		272,559		272,559
Public Works	<u>19,062</u>	<u>-</u>	<u>-</u>	<u>(19,062)</u>		<u>(19,062)</u>
Total Governmental	<u>517,648</u>	<u>407,667</u>	<u>-</u>	<u>(109,981)</u>		<u>(109,981)</u>
Business-type Activities:						
Water	39,558	58,569	-		\$ 19,011	19,011
Sewer	<u>75,537</u>	<u>34,457</u>	<u>4,687</u>		<u>(36,393)</u>	<u>(36,393)</u>
Total Business-type	<u>\$ 115,095</u>	<u>\$ 93,026</u>	<u>\$ 4,687</u>		<u>(17,382)</u>	<u>(17,382)</u>
General Revenues:						
Taxes:						
				9,340		9,340
				6,553		6,553
				18,484		18,484
				4,750		4,750
				178	121	299
				1,791		1,791
				2,310		2,310
				<u>14,395</u>	<u>(14,395)</u>	<u>-</u>
				<u>57,801</u>	<u>(14,274)</u>	<u>43,527</u>
				(52,180)	(31,656)	(83,836)
				<u>653,822</u>	<u>1,354,885</u>	<u>2,008,707</u>
				<u>\$ 601,642</u>	<u>\$ 1,323,229</u>	<u>\$ 1,924,871</u>

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

FUND FINANCIAL STATEMENTS

VILLAGE OF DODSON
BALANCE SHEET—GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>Major Fund General</u>
Assets:	
Current Assets:	
Cash & Cash Equivalents	\$ 169,209
Receivables	128,450
Prepaid Expenses	<u>5,192</u>
Total Assets	<u><u>302,851</u></u>
Liabilities:	
Current Liabilities:	
Accounts Payable	5,757
Payroll & Related Liabilities	<u>3,569</u>
Total Liabilities	<u>9,326</u>
Fund Balances:	
Nonspendable	5,192
Unassigned	<u>288,333</u>
Total Fund Balances	<u>293,525</u>
Total Liabilities & Fund Balances	<u><u>\$ 302,851</u></u>

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

VILLAGE OF DODSON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total Fund Balances for the Governmental Funds at June 30, 2016		\$ 293,525
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:		
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:		
Non-Depreciable	5,500	
Depreciable	973,737	
Less: Accumulated Depreciation	<u>(671,120)</u>	<u>308,117</u>
Total Net Position of Governmental Activities at June 30, 2016		<u>\$ 601,642</u>

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

VILLAGE OF DODSON
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Major Fund General</u>
Revenues:	
Taxes:	
Ad Valorem	\$ 9,340
Franchise	6,553
Licenses & Permits	18,484
Fines & Forfeitures	400,138
Charges for Services	7,529
Miscellaneous:	
Interest Earned	178
Rent	4,750
Other	<u>1,791</u>
 Total Revenues	 <u>448,763</u>
Expenditures:	
Current:	
General Government	354,075
Public Safety	116,043
Public Works	<u>5,411</u>
 Total Expenditures	 <u>475,529</u>
 Excess (Deficiency) of Revenues over Expenditures	 <u>(26,766)</u>
Other Financing Sources/(Uses):	
Sale of Asset	2,610
Transfers In	<u>14,395</u>
 Excess (Deficiency) of Revenues & Other Financing Sources over Expenditures & Other Financing Uses	 <u>(9,761)</u>
 Fund Balances—Beginning of Year, as restated	 <u>303,286</u>
 Fund Balances—End of Year	 <u>\$ 293,525</u>

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

VILLAGE OF DODSON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Net Change in Fund Balances—Governmental Funds \$ (9,761)

Amounts reported for Governmental Activities
in the Statement of Activities are different because:

Governmental Funds report Capital Outlays as
expenditures. However, in the Statement of
Activities the cost of these assets is allocated over
their estimated useful lives as depreciation expense.
The cost of Capital Assets recorded in the current
period is -

Governmental Funds report the entire amount received from the
Sales of Assets as Revenues, but the undepreciated cost of the
assets reduces the gain from the sale in the Statement of Activities. (300)

Depreciation expense on Capital Assets is reported in
the Government-wide Financial Statements, but
does not require the use of current financial resources
and is not reported in the Fund Financial Statements.
Current year depreciation expense is (42,119)

Net Change in Net Position per Statement of Activities \$ (52,180)

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

VILLAGE OF DODSON
STATEMENT OF NET POSITION—PROPRIETARY FUND
JUNE 30, 2017

Assets:

Current Assets:

Cash & Cash Equivalents	\$ 125,563
Receivables, Net	10,062
Restricted—Cash & Cash Equivalents	<u>13,976</u>
Total Current Assets	<u>149,601</u>

Non-Current Assets:

Capital Assets	
Depreciable (Net of Depreciation)	1,191,533
Non-Depreciable	<u>-</u>
Total Non-Current Assets	<u>1,191,533</u>

Total Assets	<u>1,341,134</u>
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Liabilities:

Current Liabilities:

Accounts Payable	3,929
Restricted Liabilities—Customer Deposits	<u>13,976</u>

Total Liabilities	<u>17,905</u>
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Net Position:

Invested in Capital Assets, Net of Related Debt	1,191,533
Restricted	13,976
Unrestricted	<u>117,720</u>

Total Net Position	<u>\$ 1,323,229</u>
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The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF DODSON
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION—PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017

Operating Revenues:	
Charges for Services	
Water	\$ 58,569
Sewer	<u>34,457</u>
Total Operating Revenues	<u>93,026</u>
Operating Expenses:	
Water	
Operating Supplies	8,999
Telephone & Utilities	7,472
Depreciation	23,087
Sewer	
Operating Supplies	24,633
Telephone & Utilities	10,933
Depreciation	<u>39,971</u>
Total Operating Expenses	<u>115,095</u>
Net Operating Income/(Loss)	<u>(22,069)</u>
Non-Operating Revenues (Expenses):	
Investment Interest	121
Grant Income	<u>4,687</u>
Total Non-Operating Revenues (Expenses)	<u>4,808</u>
Net Loss before Transfers	<u>(17,261)</u>
Contributions & Transfers:	
Transfers Out	<u>(14,395)</u>
Change in Fund Net Position	(31,656)
Fund Net Position—Beginning of Year	<u>1,354,885</u>
Fund Net Position—End of Year	<u>\$ 1,323,229</u>

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

VILLAGE OF DODSON
STATEMENT OF CASH FLOWS—PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017

Cash Flows from Operating Activities:

Receipts from Customers	\$ 94,222
Payments to Suppliers	(56,541)
Payments, Netted for Interfund Borrowing, General Fund	<u>4,687</u>
Net Cash Provided by Operating Activities	<u>42,368</u>

Cash Flows from Non-Capital & Related Financing Activities:

Transfers to Other Funds	<u>(14,395)</u>
Net Cash (Used) by Non-Capital & Related Financing Activities	<u>(14,395)</u>

Cash Flows from Capital & Related Financing Activities:

Net Cash (Used) by Capital & Related Financing Activities	<u>-</u>
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Cash Flows from Investing Activities:

Interest Earned on Operating Accounts	<u>121</u>
Net Cash Provided by Investing Activities	<u>121</u>

Net Increase (Decrease) in Cash & Cash Equivalents 28,094

Cash & Cash Equivalents—Beginning of Year 97,469

Cash & Cash Equivalents—End of Year \$ 125,563

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

Operating Activities:

Operating Income/(Loss)	\$ (31,656)
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Depreciation	63,058
Changes in Assets & Liabilities:	
(Increase)/Decrease in Accounts Receivable, Net	1,196
(Increase)/Decrease in Transfer from General Fund	14,395
(Increase)/Decrease in Customer Deposits	(121)
Increase/(Decrease) in Accounts Payable	<u>(4,504)</u>
Net Cash Provided by Operating Activities	<u>\$ 42,368</u>

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

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1—INTRODUCTION

The Village of Dodson, Louisiana, is incorporated under the Lawrason Act with a Mayor-Board of Aldermen form of government. The executive branch of government is headed by the Mayor and the legislative branch consists of three Aldermen.

This report includes all funds which are controlled by or dependent on the Village of Dodson, Louisiana's executive and legislative branches (the Mayor and Aldermen). Control by or dependence on the Village of Dodson, Louisiana was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of government body, and other general oversight responsibility.

The Village's operations include police protection, fire protection, and general and administrative services. In addition, the Village operates a Utility System which provides water and sewer services.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Village is the basic level of government which has financial accountability and control over all activities related to the Village operations and services provided. The Village is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since the Village Mayor and Board of Aldermen are elected by the public and have decision making authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement No. 61, which are included in the Village's reporting entity.

Basis of Presentation

Government-Wide Financial Statements (GWFS):

GASB Statement No. 63 changed the title of Net Assets to Net Position along with standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. As required the Village has implemented GASB Statement No. 63.

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (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. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS):

The accounts of the Village are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. 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 various funds of the Village are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria: a) total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type; and b) total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the Village are described as follows:

Governmental Funds:

General Fund—The General Fund, is the principal fund and is used to account for the operations of the Village's office. The Village's primary source of revenue is fines and forfeitures. Other major sources of revenue include ad valorem taxes levied by the Village, franchise taxes, licenses and state grants. General operating expenditures are paid from this fund.

Proprietary Fund:

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Village reports the general fund and the proprietary fund as major.

Eliminating Internal Activity—Interfund receivables and payables are eliminated in the Statements of Net Position and Balance Sheet except for the net residual amounts due between governmental and business-type activities where they are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they are allocated.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made.

Accrual Basis—Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the exchange.

Modified Accrual Basis—Fund Financial Statements (FFS)

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

Assets Liabilities and Equity

Cash and Cash Equivalents—The Village's cash is considered to be the cash in demand deposits and interest bearing deposits. Cash equivalents include all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates.

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Capital Assets—The Village reports property and equipment in the governmental activities column in the GWFS. Capital assets are carried at historical 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.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized. In the FFS, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund as acquired. Capital assets in the proprietary fund are accounted for in the same manner as in GWFS.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The assets estimated useful lives are as follows:

Equipment and Vehicles	5 - 10 years
Utility System and Improvements	40 years
Buildings and Improvements	40 years
New Infrastructure (Road Overlay, Asphalt)	20 years

Compensated Absences—Employees are not allowed to carry leave forward from year to year, therefore, there is no entry made for compensated absences. In addition, the Village does not provide employee benefits beyond employment.

Equity Classifications—In the Government-Wide Financial Statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Invested in Capital Assets—Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position—Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position—All other net position that does not meet the definition of “restricted” or “invested in capital assets.”

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted net resources. 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.

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

In the Fund Financial Statements, governmental fund equity is classified as fund balance. The Village has implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

As of June 30, 2017, the General Fund, the Village’s only major governmental fund, has a nonspendable fund balance of \$5,192 which represents prepaid expenses. The remaining fund balance of \$288,333 is classified as unassigned. If applicable, the Village would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

Budget

Prior to the beginning of each fiscal year, the Village adopts a budget for the next fiscal year. The budget is open for public inspection. All budgeted appropriations lapse at the end of each fiscal year. The budget is prepared on the modified accrual basis of accounting.

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Estimates

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

NOTE 3—AD VALOREM TAXES

The Village levies taxes on real and business personal property located within the boundaries of the Village. Property taxes are levied by the Village on property values assessed by the Winn Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Village levied the following ad valorem taxes for 2016:

	<u>Authorized</u>	<u>Levied</u>
General Corporate Purposes	6.37	6.37

The Village recognizes property tax revenues when levied. The property tax calendar is as follows:

Property Tax Calendar

Assessment Date	January 1
Levy Date	August 31
Tax Bills Mailed	October 15
Total Taxes Due	December 31
Penalties & Interest Added	January 31 of ensuing year
Lien Date	January 31 of ensuing year

NOTE 4—CASH AND CASH EQUIVALENTS

At June 30, 2017, the carrying amount of the Village’s cash and cash equivalents of governmental and enterprise funds (collected bank balances) totaled approximately \$319,711. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agents. These securities are held in the name of the pledging fiscal agent banks in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2017, the Village’s deposits were secured from risk by federal deposit insurance of \$250,000 and the remainder by securities pledged in the Village’s name by the fiscal agent bank with a market value greater than the remaining amount.

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5—REVENUES RECEIVABLE

The following is a summary of receivables as of June 30, 2017:

	General Fund	Proprietary Fund
Fines & Forfeitures	\$ 126,521	
Ad Valorem Taxes	136	
Miscellaneous	1,793	
Water Charges	-	\$ 6,244
Sewer Charges	-	<u>3,818</u>
 Total	 <u>\$ 128,450</u>	 <u>\$ 10,062</u>

The Fines and Forfeitures had an allowance for doubtful accounts in the amount of \$347,434, which has been netted against total receivable above. Historically, bad debts for other receivables have not been significant; therefore, no allowance for bad debts was recorded.

NOTE 6—CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2017 are as follows:

Governmental <u>Activities</u>	<u>Balance</u> <u>07/01/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/17</u>
Capital Assets—NonDepreciable:				
Land	\$ 5,500	\$ -	\$ -	\$ 5,500
Capital Assets—Depreciable:				
Furniture and Equipment	482,392	-	10,800	471,592
Land Improvements	237,527	-	-	237,527
Buildings	<u>264,618</u>	<u>-</u>	<u>-</u>	<u>264,618</u>
Total Depreciable Assets	<u>984,537</u>	<u>-</u>	<u>10,800</u>	<u>973,737</u>
 Total Capital Assets	 <u>990,037</u>	 <u>-</u>	 <u>10,800</u>	 <u>979,237</u>
Less Accumulated Depreciation:				
Furniture and Equipment	410,258	26,492	10,500	426,250
Land Improvements	30,122	11,876	-	41,998
Buildings	<u>199,121</u>	<u>3,751</u>	<u>-</u>	<u>202,872</u>
Total Accum. Depreciation	<u>639,501</u>	<u>42,119</u>	<u>10,500</u>	<u>671,120</u>
 Net Capital Assets	 <u>\$ 350,536</u>			 <u>\$ 308,117</u>

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Business-type <u>Activities</u>	<u>Balance</u> <u>07/01/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/17</u>
Capital Assets—Depreciable:				
Water System Equipment	\$ 179,997	-	-	\$ 179,997
Water Plant	775,220	-	-	775,220
Sewer System Equipment	89,592	-	-	89,592
Sewer Plant	<u>1,598,833</u>	<u>-</u>	<u>-</u>	<u>1,598,833</u>
Total Depreciable Assets	<u>2,643,642</u>	<u>-</u>	<u>-</u>	<u>2,643,642</u>
Less Accumulated Depreciation:				
Water Equipment	93,198	3,707	-	96,905
Water Plant	206,304	19,380	-	225,684
Sewer System Equipment	89,592	-	-	89,592
Sewer Plant	<u>999,957</u>	<u>39,971</u>	<u>-</u>	<u>1,039,928</u>
Total Accum. Depreciation	<u>1,389,051</u>	<u>63,058</u>	<u>-</u>	<u>1,452,109</u>
Net Capital Assets	<u>\$1,254,591</u>			<u>\$1,191,533</u>

Depreciation expense for the year ended June 30, 2017 of \$42,119 is charged for Governmental activities. These charges went to the General Government function in the amount of \$16,932, Public Safety \$11,536 and \$13,651 for Public Works. Depreciation expense for the year ended June 30, 2017 of \$63,058 for the Business-type Activities the Utility Fund had \$39,971 charged to the Water expenditures and \$23,087 charged to Sewer expenditures.

NOTE 7—PENSION PLAN

All employees of the Village of Dodson, Louisiana are covered by the Social Security System. Employees contribute 6.2 percent of their total salary to the System, while the Village also contributes 6.2 percent. For the year ended June 30, 2017, the Village's portion contributed was approximately \$18,915. Any future deficit in this System will be financed by the United States Government.

NOTE 8—PENDING LITIGATION

At June 30, 2017, there were no outstanding suits noted as seeking damages against the management of the Village of Dodson.

NOTE 9—RELATED PARTIES

The Village had no identified related party transactions for the year ended June 30, 2017.

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10—COOPERATIVE ENDEAVORS

The Village was party to a cooperative endeavor with the State of Louisiana Department of Transportation and Development to perform certain maintenance including mowing and litter pick up along the state roadways located within the Village of Dodson for the fiscal year ended June 30, 2017.

NOTE 11—COMPENSATION PAID TO THE MAYOR & BOARD OF ALDERMEN

For the fiscal year ended June 30, 2017 the following compensation was paid to the Village's management:

Richard Broomfield—Mayor, current	\$ 26,250
Verna Hollingsworth—Mayor, first portion of fye	13,000
Jami Ashley	3,900
Karla Shively	3,900
Sandra Holden, first portion of fye	1,625
Danny Browning, current	<u>2,275</u>
Total	<u>\$ 50,950</u>

NOTE 12—SUBSEQUENT EVENTS

Management has evaluated events through September 29, 2017, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

VILLAGE OF DODSON
BUDGETARY COMPARISON SCHEDULE—GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budget		Variance
	<u>Original/Final</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenues:			
Taxes:			
Ad Valorem	\$ 7,000	\$ 9,340	\$ 2,340
Franchise	10,000	6,553	(3,447)
Licenses & Permits	15,000	18,484	3,484
Fines & Forfeitures	375,000	400,138	25,138
Charges for Services	2,500	7,529	5,029
Miscellaneous:			
Interest & Other	5,300	1,969	(3,331)
Rent	<u>5,000</u>	<u>4,750</u>	<u>(250)</u>
 Total Revenues	 <u>419,800</u>	 <u>448,763</u>	 <u>28,963</u>
 Expenditures:			
General Government	391,200	354,075	37,125
Public Safety	89,000	116,043	(27,043)
Public Works	3,500	5,411	(1,911)
Capital Outlay	<u>10,000</u>	<u>-</u>	<u>10,000</u>
 Total Expenditures	 <u>493,700</u>	 <u>475,529</u>	 <u>18,171</u>
 Excess (Deficiency) of Revenues Over Expenditures	 (73,900)	 (26,766)	 47,134
 Other Financing Sources/(Uses):			
Sale of Asset	25,000	2,610	(22,390)
Transfers In	<u>-</u>	<u>14,395</u>	<u>14,395</u>
 Excess (Deficiency) of Revenues & Other Financing Sources over Expenditures & Other Financing Uses	 (48,900)	 (9,761)	 39,139
 Fund Balance—Beginning of Year	 <u>303,286</u>	 <u>303,286</u>	 <u>-</u>
 Fund Balance—End of Year	 <u>\$ 254,386</u>	 <u>\$ 293,525</u>	 <u>\$ 39,139</u>

See accountant's report.

OTHER
SUPPLEMENTARY INFORMATION

VILLAGE OF DODSON
SCHEDULE OF COMPENSATION FOR AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2017

In accordance with Act 706 of 2014 as amended by Act 462 of the 2015 Legislative Session the following Schedule of Compensation, Reimbursements, Benefits and Other Payment to the Political Subdivision Head or Chief Executive Officers is presented.

The Village of Dodson is governed by a Mayor and Board of Aldermen. Their compensation as such is noted in the Note Disclosures. The additional payments noted to each of these as required per Act 706 for the fiscal year ended June 30, 2017, are as follows.

Payee	Purpose	Amount
Richard Broomfield	None Additional Noted	N/A
Verna Hollingsworth	None Additional Noted	N/A
Jami Ashley	None Additional Noted	N/A
Karla Shively	None Additional Noted	N/A
Sandra Holden	None Additional Noted	N/A
Danny Browning	None Additional Noted	N/A

See accountant's report.

Shanna Jones, CPA

795 Big Creek Rd
Winnfield, LA 71483
792-8544

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING LOUISIANA LEGISLATIVE AUDITOR'S STATEWIDE AGREED-UPON PROCEDURES

To the Mayor & Aldermen
of the Village of Dodson

and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the management of the Village of Dodson, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Dodson's compliance with certain laws and regulations during the fiscal year ended June 30, 2017, included in the *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures* (SAUPs). The Village's management is responsible for those control and compliance (C/C) areas identified in the SAUPs.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Governmental Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

WRITTEN POLICIES AND PROCEDURES

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **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.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts**, including receiving, recording, and preparing deposits
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **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) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

No written policies were noted.

BOARD OR FINANCE COMMITTEE, if applicable

2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Based on minutes provided, appears board met with a quorum at least monthly.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Noted no documentation showing periodic budget to actual comparisons.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Minutes referenced such approval.

BANK RECONCILIATIONS

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Management provided me with required representation.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
Bank reconciliations appear to have been prepared.
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
While minutes referenced financials reviewed, no evidence of bank reconciliations being reviewed by member of management.
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.
Noted client voiding checks outstanding longer than three months.

COLLECTIONS

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
Management provided listing and representation.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. **For each cash collection location selected:**
 - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
Village stated clerk and assistant share "drawer" to accept collections and are bonded. However due to size, Village stated not cost effective to hire enough employees to segregate responsibilities including those related to cash depositing, recording and reconciling. To mitigate such risk the Village has a CPA firm review monthly bank statements and related accounting.
 - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
Village has reconciliation worksheets to reconcile cash deposits to revenue source subsidiary ledgers; although prepared by clerk and assistant.

c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Weekly deposits to the bank were traced from reconciling worksheets of collections.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Monthly collection system reports for water and sewer charges were noted. Property taxes appear to be documented on ledger and on printout from assessor. Fines were noted as input to system for reporting amounts due and related collections. Franchise taxes and licenses supported with documentation from remitter. Exceptions appear to be miscellaneous revenues, which appear to be immaterial.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

While no written policy noted, client stated system reports have collections input and outstanding utility bills are noted for cutoff. Fines also have payments entered to system by ticket number and old outstanding tickets are remitted to a collection agency. These entries are done by the clerk and assistant who are also responsible for collections.

DISBURSEMENTS – General

(excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Obtained listing and representation letter.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Purchases do not appear to have been initiated using a requisition/purchase order system.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

According to the clerk, employees request items needed, mayor tells clerk or employee to order and turn in receipts.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Payments for purchases sampled had related invoice for support. No formal approval noted. According to clerk checks require two signatures for payment and this constitutes their approval.

- 10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

It does not appear that the person responsible for processing payments is prohibited from adding vendors.

- 11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Appears that mayor, one board member and the clerk have signing authority. Clerk and assistant have responsibility for recording purchases while mayor has responsibility for initiating.

- 12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Management presented unused check supply locked in main office but clerk and mayor have signatory authority.

- 13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

No signature stamp utilized. Clerk maintains until mailed.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

- 14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Obtained listing and representation letter.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

On the largest monthly statements noted no formal approval in writing by someone other than the authorized card holder. However, supporting invoices were noted and client indicates two signatures on check constitute approval.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

No finance charges and/or late fees appear to have been assessed on the related statements.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

Receipt available with vendor notation of purchase.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

No formal business purpose documented. For meal charges, appear to have been related to continuing education for police chief as additional related expenses noted (registration, hotel, etc.).

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

No written policy noted.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No purchases appear to have Public Bid Law requirements.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Based on vendor documentation appear to be allowable expenditures: office ink, conferences, etc.

TRAVEL AND EXPENSE REIMBURSEMENT

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Obtained management's representation: no travel reimbursements made to employees for fiscal year. One employee incurred travel but expenses were placed on entity's credit card and supported with receipts.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

No written policies noted.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

One employee incurred travel but expenses were placed on entity's credit card and supported with receipts.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

Original receipt identified purchase.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

Continuing education for police chief noted based on support.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Registration noted with receipts although no written policy.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Appear proper.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Noted no formal approval in writing, however, supporting invoices were noted and coded by clerk. Client indicates two signatures on check constitute approval.

CONTRACTS

- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Obtained management representation, no contracts with vendors.

- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid. N/A, see #20.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder) N/A, see #20.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice. N/A, see #20.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment. N/A, see #20.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract. N/A, see #20.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter). N/A, see #20.

PAYROLL AND PERSONNEL

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete.

Obtained listing and representation.

Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Appear to comply with pay rates listed in minutes.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

No written policy; however, noted raises in minutes of meetings.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Noted clerk documented daily attendance and leave for employees in ledger.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

No written documentation of approval noted.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Noted written documentation of entity's clerk maintaining written leave records in ledger by date and employee.

- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Obtained listing and representation. Noted one employee quit after taking available vacation and another employee laid off which appeared to have received available vacation. No formal approval noted other than signatures on checks.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Payroll taxes appear to be submitted to applicable agencies although one appeared to be delinquent in timing. No retirement provided to employees of entity.

ETHICS (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Ethic certificates supporting employees training completed were noted in documentation.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Per management, no allegations of ethics violations were reported to the entity during the fiscal period.

DEBT SERVICE (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

No debt noted as issued during the fiscal period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

No debt noted as outstanding during the fiscal period.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

No tax millages related to debt service noted.

OTHER

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No misappropriations of public funds or assets noted.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Noted fraud hotline notice posted on premises.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions noted.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is 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 Louisiana Legislative Auditor as a public document.



Shanna Jones, CPA
Winnfield, Louisiana
September 29, 2017

Village of Dodson

P.O. Box 86
Dodson, LA 71422

September 29, 2017

Shanna Jones, CPA
795 Big Creek Rd
Winnfield, LA 71483

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period July 1, 2016 through June 30, 2017, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; disbursements; credit/debit/fuel/purchasing cards; travel and expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas, as applicable.

Yes No
2. For the fiscal period July 1, 2016 through June 30, 2017, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.

Yes No
3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes No
4. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes No
5. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between June 30, 2017, and September 29, 2017.

Yes No
6. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.

Yes No

7. We represent that the listing of bank accounts provided to you is complete.
Yes No
8. We represent that the listing of cash/check/money order (cash) collection locations provided to you is complete.
Yes No
9. We represent that the listing of entity disbursements or the general ledger population of entity disbursements provided to you is complete.
Yes No
10. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards, provided to you is complete.
Yes No
11. We represent that the listing of all travel and related expense reimbursements, by person, during the fiscal period or the general ledger population of travel and related expense reimbursements provided to you is complete.
Yes No
12. We represent that the listing of all contracts in effect during the fiscal period or the general ledger population of contract payments provided to you is complete.
Yes No
13. We represent that the listing of employees (and elected officials, if applicable) with their related salaries provided to you is complete.
Yes No
14. We represent that the listing of employees (and elected officials, if applicable) that terminated during the fiscal period provided to you is complete.
Yes No
15. We have disclosed to you other data you deemed necessary to complete SAUPs.
Yes No
16. We have responded fully to all inquiries made by you during the engagement.
Yes No

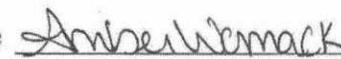
17. We are not aware of any events that have occurred subsequent to June 30, 2017, that would require adjustment to or modification of the results of the agreed-upon procedures.

Yes No

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

Signature  Date 9/29/17

Title Mayor

Signature  Date 9/29/17

Title Clerk

COMPLIANCE AND OTHER MATTERS

Shanna Jones, CPA

795 Big Creek Rd
Winnfield, LA 71483
792-8544

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS*

Mayor & Board of Aldermen
Village of Dodson
P.O. Box 86
Dodson, Louisiana

I have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Village of Dodson as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued my report thereon dated September 29, 2017. I conducted my 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 U.S. and the *Louisiana Governmental Audit Guide*.

Internal Control Over Financial Reporting

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

My 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses.

(Continued)

Compliance and Other Matters

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

Village's Response to Findings

The Village's response to the findings identified in my audit is described in the accompanying schedule of audit findings. The Village's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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. This report is intended for the information and use of the Louisiana Legislative Auditor, management of the Village of Dodson and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana R. S. 24:513 this report is a matter of public record and its distribution is not limited.



Shanna Jones, CPA
Winnfield, Louisiana
September 29, 2017

Concluded

VILLAGE OF DODSON
SCHEDULE OF AUDIT FINDINGS
YEAR ENDED JUNE 30, 2017

A. SUMMARY OF AUDIT RESULTS

1. The Auditor's Report expresses an unqualified opinion on the financial statements of the Village of Dodson as of and for the year ended June 30, 2017.
2. There were no significant deficiencies noted during the audit of the financial statements.
3. The audit disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

B. FINDINGS IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS*

None

C. PRIOR YEAR FINDINGS

Compliance

16-01 Compliance with Regulatory Statues—Cash Deposits

Finding—Louisiana R. S. 39:1212 requires daily cash deposits where practical.

Recommendation—It was noted that deposits were only made semimonthly during the current fiscal year end resulting in some large transactions. It is recommended that the Village make no less than weekly deposits if daily deposits are not practical to their financial institution.

Management's Response—We do not believe it is cost effective or practical to make daily deposits. However, we do feel weekly deposits would be sufficient to comply with Louisiana R. S. 39:1212.

Status—Noted during fiscal year deposits became weekly.