

VILLAGE OF RIDGECREST, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020
AND FOR THE YEAR THEN ENDED
WITH
INDEPENDENT ACCOUNTANT'S REVIEW REPORT



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

VILLAGE OF RIDGECREST, LOUISIANA

Annual Financial Statements
As of and for the Year Ended December 31, 2020
With Supplementary Information Schedules

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VILLAGE OF RIDGECREST, LOUISIANA

**Annual Financial Statements
As of and for the Year Ended December 31, 2020
With Supplementary Information Schedules**

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SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

209 N. Commerce St.
Natchez, MS 39120
P. O. Box 1027
Natchez, MS 39121
Tel: 601-442-7411
Fax: 601-442-8551

2120 Forsythe Ave.
Monroe, LA 71201
P. O. Box 4550
Monroe, LA 71211
Tel: 318-323-4481
Fax: 318-323-2188

www.silassimmons.com

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

Report on the Financial Statements

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Ridgcrest, Louisiana (the Village) as of and for the year ended December 31, 2020, which collectively comprise the Village's basic financial statements, as listed in the table of contents, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 3 through 7 and pages 26 through 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have not audited or reviewed such required supplementary information and, accordingly, we do not express an opinion or a conclusion, nor provide any form of assurance on it.

The accompanying Management's Discussion and Analysis and budgetary comparison information has been reviewed by us and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Other Supplementary Information

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



Natchez, Mississippi
September 24, 2021

SECTION I
REQUIRED SUPPLEMENTARY INFORMATION

**VILLAGE OF RIDGECREST, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

The management of Village of Ridgcrest, Louisiana (the Village) offers readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal years ended December 31, 2020 and 2019. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the report.

FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities by \$1,127,266 and \$1,157,866 in 2020 and 2019, respectively.
- Net position decreased by \$30,600 and \$32,781 in 2020 and 2019, respectively.
- The Village had net capital assets of \$736,891 and \$741,007 in 2020 and 2019, respectively.
- The Village had payroll of \$86,638 and \$71,953 in 2020 and 2019, respectively.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

**VILLAGE OF RIDGECREST, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Governmental Activities	Business-Type Activities	Totals	
			2020	2019
Current assets:	\$ 31,429	\$ 76,266	\$ 107,695	\$ 138,366
Noncurrent assets	801,441	263,101	1,064,542	1,058,579
Total assets	<u>\$ 832,870</u>	<u>\$ 339,367</u>	<u>\$ 1,172,237</u>	<u>\$ 1,196,945</u>
Current liabilities:	\$ 1,166	\$ 7,010	\$ 8,176	\$ 7,375
Long-term liabilities	-	36,795	36,795	31,704
Total liabilities	<u>\$ 1,166</u>	<u>\$ 43,805</u>	<u>\$ 44,971</u>	<u>\$ 39,079</u>
Net position:				
Invested in capital assets	\$ 507,552	\$ 229,339	\$ 736,891	\$ 741,007
Restricted for streets and drainage	293,889	-	293,889	287,848
Restricted for meter deposits	-	36,795	36,795	31,704
Unassigned	30,263	29,428	59,691	97,307
Total net position	<u>\$ 831,704</u>	<u>\$ 295,562</u>	<u>\$ 1,127,266</u>	<u>\$ 1,157,866</u>

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

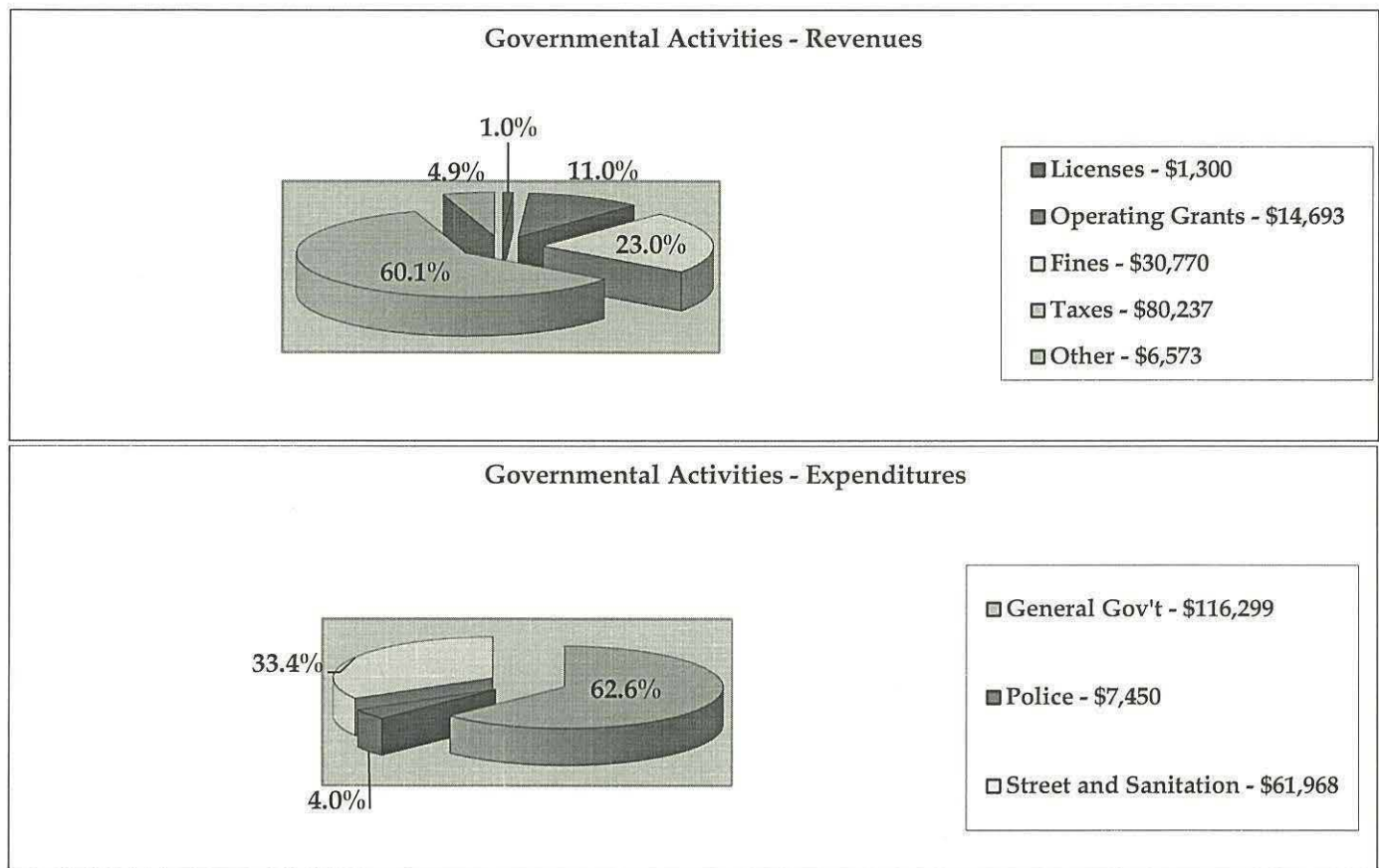
	Governmental Activities	Business-Type Activities	Totals	
			2020	2019
Revenues:				
Program revenues	\$ 46,763	\$ 201,419	\$ 248,182	\$ 252,526
Taxes and other	86,810	-	86,810	87,650
Total revenues	<u>\$ 133,573</u>	<u>\$ 201,419</u>	<u>\$ 334,992</u>	<u>\$ 340,176</u>
Expenses:				
General and administrative	\$ 116,299	\$ -	\$ 116,299	\$ 111,335
Public safety	7,450	-	7,450	393
Street and sanitation	61,968	-	61,968	96,983
Utility operations	-	179,875	179,876	164,246
Total expenditures	<u>\$ 185,717</u>	<u>\$ 179,875</u>	<u>\$ 365,592</u>	<u>\$ 372,957</u>
Net transfers in (out)	<u>\$ 30,937</u>	<u>\$ (30,937)</u>	<u>\$ -</u>	<u>\$ -</u>

**VILLAGE OF RIDGECREST, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

	Governmental Activities	Business-Type Activities	Totals	
			2020	2019
Decrease in net position	\$ (21,207)	\$ (9,393)	\$ (30,600)	\$ (32,781)
Net position – January 1	\$ 852,911	\$ 304,955	\$ 1,157,866	\$ 1,190,647
Net position – December 31	\$ 831,704	\$ 295,562	\$ 1,127,266	\$ 1,157,866

The following are graphical representations of information presented in the statement of activities for governmental activities for the year 2020:



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

Business-Type Activities

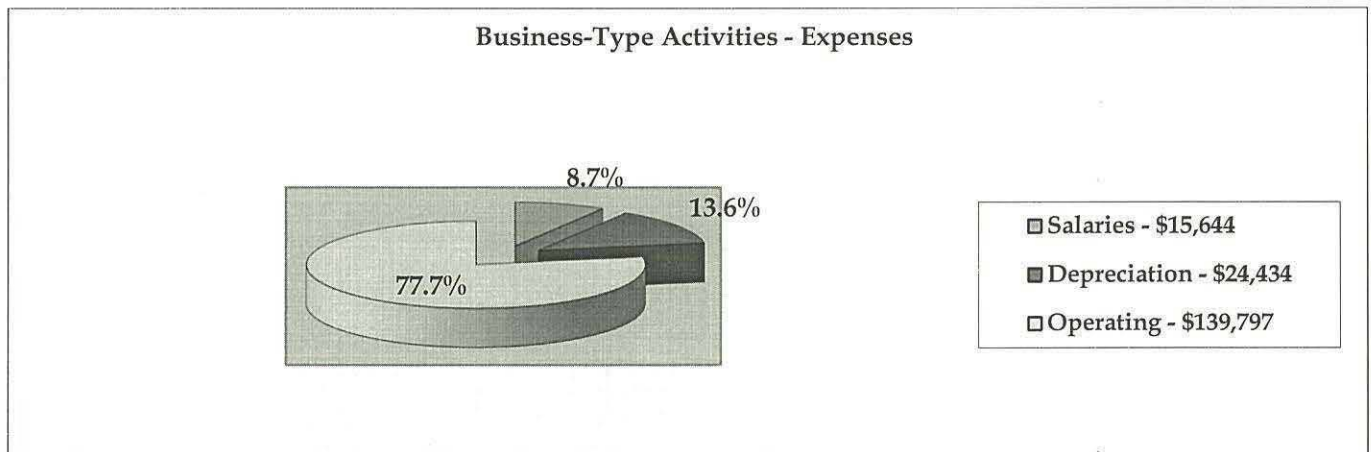
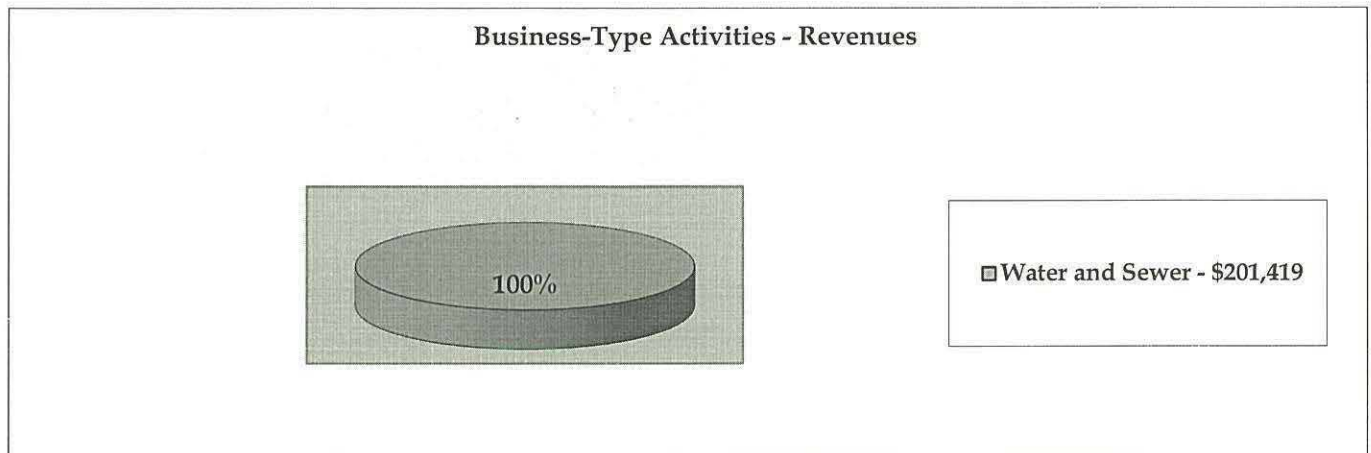
The business-type activities of the Village are those that charge a fee to customers for the services provided. The Village has two business-type activities (water and sewer) which are accounted for in the enterprise fund.

**VILLAGE OF RIDGECREST, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Business-Type Activities (continued)

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



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

VILLAGE OF RIDGECREST, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Comments on General Fund Budget Comparisons

The Village's general fund budget was amended once during the last year. The budgeted expenditures were \$214,623, and the budgeted revenues were \$118,199.

Actual revenues were under budgeted amounts by \$13,638. Actual expenditures were under budgeted amounts by \$63,266.

Comments on Public Works Fund Budget Comparisons

The Village's public works fund budget was amended once during the last year. The budgeted expenditures were \$19,147, and the budgeted revenues were \$22,000.

Actual revenues were over budgeted amounts by \$7,012. Actual expenditures were under budgeted amounts by \$116.

CAPITAL ASSETS

As of December 31, 2020, the Village had capital assets of \$507,552 in the governmental activities and \$229,339 in the business-type activities.

REQUEST FOR INFORMATION

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

SECTION II
BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF RIDGECREST, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	\$ 30,846	\$ 42,888	\$ 73,734
Receivables, net	583	33,378	33,961
Total current assets	<u>\$ 31,429</u>	<u>\$ 76,266</u>	<u>\$ 107,695</u>
Noncurrent assets			
Restricted			
Cash and cash equivalents	\$ 293,889	\$ 33,762	\$ 327,651
Capital assets	507,552	229,339	736,891
Total noncurrent assets	<u>\$ 801,441</u>	<u>\$ 263,101</u>	<u>\$ 1,064,542</u>
Total assets	<u>\$ 832,870</u>	<u>\$ 339,367</u>	<u>\$ 1,172,237</u>
<u>LIABILITIES</u>			
Current liabilities			
Accounts and other payables	\$ 1,166	\$ 7,010	\$ 8,176
Total current liabilities	<u>\$ 1,166</u>	<u>\$ 7,010</u>	<u>\$ 8,176</u>
Noncurrent liabilities			
Customer deposits	\$ -	\$ 36,795	\$ 36,795
Total liabilities	<u>\$ 1,166</u>	<u>\$ 43,805</u>	<u>\$ 44,971</u>
<u>NET POSITION</u>			
Invested in capital assets	\$ 507,552	\$ 229,339	\$ 736,891
Restricted for streets and drainage	293,889	-	293,889
Restricted for meter deposits	-	36,795	36,795
Unassigned	30,263	29,428	59,691
Total net position	<u>\$ 831,704</u>	<u>\$ 295,562</u>	<u>\$ 1,127,266</u>

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

STATEMENT B

VILLAGE OF RIDGECREST, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

		Program Revenues		Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Fees, Fines, and Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	Total
<u>GOVERNMENTAL ACTIVITIES</u>						
General government	\$ 116,299	\$ 1,300	\$ 14,693	\$ (100,306)	\$ -	\$ (100,306)
Public safety:						
Police	7,450	30,770	-	23,320	-	23,320
Sanitation	21,831	-	-	(21,831)	-	(21,831)
Road maintenance	40,137	-	-	(40,137)	-	(40,137)
Total governmental activities	<u>\$ 185,717</u>	<u>\$ 32,070</u>	<u>\$ 14,693</u>	<u>\$ (138,954)</u>	<u>\$ -</u>	<u>\$ (138,954)</u>
<u>BUSINESS-TYPE ACTIVITIES</u>						
Water and sewer	\$ 179,875	\$ 201,419	\$ -	\$ -	\$ 21,544	\$ 21,544
Total	<u>\$ 365,592</u>	<u>\$ 233,489</u>	<u>\$ 14,693</u>	<u>\$ (138,954)</u>	<u>\$ 21,544</u>	<u>\$ (117,410)</u>
General Revenues:						
Taxes						
Property				\$ 12,072	\$ -	\$ 12,072
Sales				50,331	-	50,331
Beer				610	-	610
Franchise				17,149	-	17,149
Cost				75	-	75
Miscellaneous				6,573	-	6,573
Transfers				30,937	(30,937)	-
Total general revenues and transfers				<u>\$ 117,747</u>	<u>\$ (30,937)</u>	<u>\$ 86,810</u>
Change in net position				<u>\$ (21,207)</u>	<u>\$ (9,393)</u>	<u>\$ (30,600)</u>
Net position – January 1, 2020				\$ 852,911	\$ 304,955	\$ 1,157,866
Net position – December 31, 2020				<u>\$ 831,704</u>	<u>\$ 295,562</u>	<u>\$ 1,127,266</u>

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

SECTION III
FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

VILLAGE OF RIDGECREST, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Major Funds		
	General Fund	Public Works Fund	Total
<u>ASSETS</u>			
Cash	\$ 30,846	\$ -	\$ 30,846
Cash - restricted	-	293,889	293,889
Receivables:			
Ad valorem tax	583	-	583
Total assets	<u>\$ 31,429</u>	<u>\$ 293,889</u>	<u>\$ 325,318</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts and other payables	\$ 1,166	\$ -	\$ 1,166
Total liabilities	<u>\$ 1,166</u>	<u>\$ -</u>	<u>\$ 1,166</u>
Fund balances:			
Restricted for streets and drainage	\$ -	\$ 293,889	\$ 293,889
Unassigned	30,263	-	30,263
Total fund balances	<u>\$ 30,263</u>	<u>\$ 293,889</u>	<u>\$ 324,152</u>
Total liabilities and fund balances	<u>\$ 31,429</u>	<u>\$ 293,889</u>	<u>\$ 325,318</u>

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

VILLAGE OF RIDGECREST, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2020

Total Fund Balances for Governmental Funds (Statement C)	\$	324,152
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land		1,700
Buildings, net of \$54,302 accumulated depreciation		8,700
Equipment, net of \$449,155 accumulated depreciation		14,632
Infrastructure, net of \$340,587 accumulated depreciation		<u>482,520</u>
 Total Net Position of Governmental Activities (Statement A)	 \$	 <u>831,704</u>

VILLAGE OF RIDGECREST, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Major Funds		
	General Fund	Public Works Fund	Total
<u>REVENUES</u>			
Taxes	\$ 51,225	\$ 29,012	\$ 80,237
Licenses and permits	1,300	-	1,300
Intergovernmental:			
State funds	14,693	-	14,693
Fines and forfeitures	30,770	-	30,770
Other	6,573	-	6,573
Total revenues	\$ 104,561	\$ 29,012	\$ 133,573
<u>EXPENDITURES</u>			
Current:			
General government	\$ 112,931	\$ -	\$ 112,931
Public safety:			
Police	6,900	-	6,900
Sanitation	21,831	-	21,831
Road maintenance	-	19,031	19,031
Capital outlay	9,695	-	9,695
Total expenditures	\$ 151,357	\$ 19,031	\$ 170,388
Excess (deficiency) of revenues over expenditures	\$ (46,796)	\$ 9,981	\$ (36,815)
<u>OTHER FINANCING SOURCES</u>			
Transfers in	\$ 34,877	\$ (3,940)	\$ 30,937
Total other financing sources	\$ 34,877	\$ (3,940)	\$ 30,937
Net change in fund balance	\$ (11,919)	\$ 6,041	\$ (5,878)
Fund balances, beginning of year	\$ 42,182	\$ 287,848	\$ 330,030
Fund balances, end of year	\$ 30,263	\$ 293,889	\$ 324,152

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

VILLAGE OF RIDGECREST, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balances, Total Governmental Funds (Statement E)	\$	(5,878)
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Amounts reported for governmental activities in the statement of activities are different because:

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

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

Capital outlays		9,695
Depreciation expense		<u>(25,024)</u>

Total change in net position per Statement of Activities (Statement B)	\$	<u>(21,207)</u>
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PROPRIETARY FUNDS

VILLAGE OF RIDGECREST, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020

	<u>Utility Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 42,888
Accounts receivable, net of allowance	<u>33,378</u>
Total current assets	<u>\$ 76,266</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	\$ 33,762
Capital assets, net of accumulated depreciation	<u>229,339</u>
Total noncurrent assets	<u>\$ 263,101</u>
Total assets	<u>\$ 339,367</u>
LIABILITIES	
Current liabilities (payable from current assets):	
Accounts and other payables	\$ 7,010
Noncurrent liabilities (payable from restricted assets):	
Customers' deposits	<u>36,795</u>
Total liabilities	<u>\$ 43,805</u>
NET POSITION	
Invested in capital assets, net of related debt	\$ 229,339
Restricted for meter deposits	36,795
Unassigned	<u>29,428</u>
Total net position	<u>\$ 295,562</u>

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

VILLAGE OF RIDGECREST, LOUISIANA
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Utility Fund</u>
OPERATING REVENUES	
Charges for services	\$ 201,419
Total operating income	<u>\$ 201,419</u>
OPERATING EXPENSES	
Salaries	\$ 15,644
Operating expenses	139,797
Depreciation	<u>24,434</u>
Total operating expenses	<u>\$ 179,875</u>
Operating Income	<u>\$ 21,544</u>
Other Financing Uses	
Transfers out	\$ (30,937)
Change in Net Position	\$ (9,393)
Net position, beginning of year	<u>304,955</u>
Net position, end of year	<u><u>\$ 295,562</u></u>

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

VILLAGE OF RIDGECREST, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Cash Flows from Operating Activities	
Cash received from customers	\$ 198,986
Cash payments to suppliers for goods and services	(139,689)
Cash payments to employees for services	<u>(15,644)</u>
Net cash provided by operating activities	<u>\$ 43,653</u>
Cash Flows from Noncapital Financing Activities	
Operating transfers to other funds	\$ (30,937)
Increase in consumer deposits	<u>5,091</u>
Net cash used for noncapital financing activities	<u>\$ (25,846)</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of fixed assets	<u>\$ (35,647)</u>
Net cash used for capital and related financing activities	<u>\$ (35,647)</u>
 Net decrease in cash and cash equivalents	 \$ (17,840)
Cash and cash equivalents, beginning of year	<u>94,490</u>
Cash and cash equivalents, end of year	<u><u>\$ 76,650</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ 21,543
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	24,434
Change in assets and liabilities:	
Increase in accounts receivable	(2,434)
Decrease in accounts payable	<u>109</u>
Net cash provided by operating activities	<u><u>\$ 43,652</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

INTRODUCTION

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

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

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

VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

The Village reports the following major governmental funds:

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

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

The Village reports the following major proprietary fund:

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

**VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

C. Deposits and Investments

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

D. Receivables and Payables

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

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

VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Receivables and Payables (continued)

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

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

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

E. Inventories and Prepaid Items

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

F. Restricted Assets

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

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost. The 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 the asset or materially extend asset lives are not capitalized.

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

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

VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Compensated Absences

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

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. At December 31, 2020, there was no liability for compensated absences recorded.

I. Fund Equity

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

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

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

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

VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget Information – The Village uses the following budget practices:

1. The Village prepares a proposed budget and submits it to the Mayor and Board of Aldermen no later than 15 days prior to the beginning of each fiscal year. The Village approves a budget for the general and public works funds.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least 10 days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer to funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets are adopted on a cash basis.

NOTE 3 – CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents (book balances) at December 31, 2020:

Demand deposits	\$ <u>401,385</u>
-----------------	-------------------

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

**VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 3 – CASH AND CASH EQUIVALENTS (continued)

At December 31, 2020, the primary government has \$341,177 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Proprietary Fund's Statement of Net Position that sum to the total of the same such amounts shown in the Statement of Cash Flows.

Cash and cash equivalents	\$ 42,888
Restricted cash	<u>33,762</u>
Total cash, cash equivalents, and restricted cash shown in the Statement of Cash Flows	<u>\$ 76,650</u>

Amounts shown in restricted cash represent those required to be set aside for utility customer deposits.

NOTE 4 – RECEIVABLES

The following is a summary of current receivables for December 31, 2020:

	Governmental Activities	Business- Type Activities	Total
Ad valorem taxes	\$ 583	\$ -	\$ 583
Utilities	<u>-</u>	<u>33,378</u>	<u>33,378</u>
Total	<u>\$ 583</u>	<u>\$ 33,378</u>	<u>\$ 33,961</u>

NOTE 5 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2020, is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 1,700	\$ -	\$ -	\$ 1,700
Total capital assets not being depreciated	<u>\$ 1,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,700</u>
Capital assets being depreciated				
Buildings	\$ 63,002	\$ -	\$ -	\$ 63,002
Equipment	454,092	9,695	-	463,787
Streets	<u>844,213</u>	<u>-</u>	<u>-</u>	<u>844,213</u>
Total capital assets being depreciated	<u>\$ 1,361,307</u>	<u>\$ 9,695</u>	<u>\$ -</u>	<u>\$ 1,371,002</u>
Less accumulated depreciation for				
Buildings	\$ (53,577)	\$ (725)	\$ -	\$ (54,302)
Equipment	(445,962)	(3,193)	-	(449,155)
Streets	<u>(340,587)</u>	<u>(21,106)</u>	<u>-</u>	<u>(361,693)</u>
Total accumulated depreciation	<u>\$ (840,126)</u>	<u>\$ (25,024)</u>	<u>\$ -</u>	<u>\$ (865,150)</u>
Total capital assets being depreciated, net	<u>\$ 521,181</u>	<u>\$ (15,329)</u>	<u>\$ -</u>	<u>\$ 505,852</u>
Governmental activities capital assets	<u>\$ 522,881</u>	<u>\$ (15,329)</u>	<u>\$ -</u>	<u>\$ 507,552</u>

VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 – CAPITAL ASSETS (continued)

Depreciation expense of \$26,014 for 2020 was charged as follows:

General government	\$	3,368								
Police		550								
Streets		<u>21,106</u>								
Total depreciation	\$	<u>25,024</u>								
		<u>Beginning</u>	<u>Increase</u>	<u>Decrease</u>	<u>Reclassification</u>	<u>Ending</u>				
		<u>Balance</u>				<u>Balance</u>				
Business-type activities:										
Capital assets, not being depreciated										
Land	\$	<u>15,000</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>15,000</u>		
Total capital assets, not being depreciated	\$	<u>15,000</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>15,000</u>		
Capital assets being depreciated										
Distribution systems	\$	<u>-</u>	\$	<u>35,647</u>	\$	<u>-</u>	\$	<u>1,228,392</u>	\$	<u>1,264,039</u>
Equipment		<u>1,271,979</u>		<u>-</u>		<u>-</u>		<u>(1,228,392)</u>		<u>43,587</u>
Total capital assets being depreciated	\$	<u>1,271,979</u>	\$	<u>36,647</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>1,307,626</u>
Less accumulated depreciation for										
Distribution systems	\$	<u>-</u>	\$	<u>(23,078)</u>	\$	<u>-</u>	\$	<u>(1,030,437)</u>	\$	<u>(1,053,515)</u>
Equipment		<u>(1,068,853)</u>		<u>(1,356)</u>		<u>-</u>		<u>1,030,437</u>		<u>(39,772)</u>
Total accumulated depreciation	\$	<u>(1,068,853)</u>	\$	<u>(24,434)</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>(1,093,287)</u>
Total capital assets being depreciated, net	\$	<u>203,126</u>	\$	<u>11,213</u>	\$	<u>-</u>		<u>-</u>	\$	<u>214,339</u>
Business-type activities net assets	\$	<u>218,126</u>	\$	<u>11,213</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>229,339</u>

**VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 6 – PROPERTY TAXES

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

NOTE 7 – RESTRICTED NET POSITION

Governmental activities	
Streets and drainage	\$ <u>293,889</u>
Business-type activities	
Customer meter deposits	\$ <u>36,795</u>

NOTE 8 – ACCOUNTS AND OTHER PAYABLES

Accounts and other payables at December 31, 2020, are as follows:

	General Fund	Proprietary Fund	Total
Accounts	\$ -	\$ 6,176	\$ 6,176
Payroll taxes	1,166	834	2,000
Total	<u>\$ 1,166</u>	<u>\$ 7,010</u>	<u>\$ 8,176</u>

NOTE 9 – RETIREMENT COMMITMENTS

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

NOTE 10 – RISK MANAGEMENT

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

SECTION IV
ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF RIDGECREST, LOUISIANA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 61,080	\$ 48,550	\$ 51,225	\$ 2,675
Licenses and permits	1,200	1,300	1,300	-
Intergovernmental	999,999	15,558	14,693	(865)
Fines	3,000	30,000	30,770	770
Miscellaneous	19,500	22,791	6,573	(16,218)
Total revenues	<u>\$ 1,084,879</u>	<u>\$ 118,199</u>	<u>\$ 104,561</u>	<u>\$ (13,638)</u>
Expenditures				
General government	\$ 1,132,987	\$ 167,428	\$ 119,831	\$ 47,597
Public safety:				
Police	-	-	-	-
Sanitation	37,500	37,500	21,831	15,669
Capital Outlay	-	9,695	9,695	-
Total expenditures	<u>\$ 1,170,487</u>	<u>\$ 214,623</u>	<u>\$ 151,357</u>	<u>\$ 63,266</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (85,608)</u>	<u>\$ (96,424)</u>	<u>\$ (46,796)</u>	<u>\$ 49,628</u>
Other financing sources:				
Operating transfers in	\$ -	\$ -	\$ 34,877	\$ (34,877)
Total other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,877</u>	<u>\$ (34,877)</u>
Net changes in fund balances	<u>\$ (85,608)</u>	<u>\$ (96,424)</u>	<u>\$ (11,919)</u>	<u>\$ 84,505</u>
Fund balance, beginning	<u>42,182</u>	<u>42,182</u>	<u>42,182</u>	<u>-</u>
Fund balance, ending	<u>\$ (43,426)</u>	<u>\$ (54,242)</u>	<u>\$ 30,263</u>	<u>\$ (23,979)</u>

See Independent Accountant's Review Report.

VILLAGE OF RIDGECREST, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - PUBLIC WORKS FUND
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes and other	\$ 22,000	\$ 22,000	\$ 29,012	\$ (7,012)
Total revenues	<u>\$ 22,000</u>	<u>\$ 22,000</u>	<u>\$ 29,012</u>	<u>\$ (7,012)</u>
Expenditures				
Road maintenance	\$ 16,600	\$ 19,147	\$ 19,031	\$ (116)
Total expenditures	<u>\$ 16,600</u>	<u>\$ 19,147</u>	<u>\$ 19,031</u>	<u>\$ (116)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 4,650</u>	<u>\$ 2,853</u>	<u>\$ 9,981</u>	<u>\$ (7,128)</u>
Other financing sources:				
Operating transfers (out) in	\$ -	\$ -	\$ (3,940)	\$ 3,940
Total other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,940)</u>	<u>\$ 3,940</u>
Net changes in fund balances	\$ 4,650	\$ 2,853	\$ 6,041	\$ (3,188)
Fund balance, beginning	<u>287,848</u>	<u>287,848</u>	<u>287,848</u>	<u>-</u>
Fund balance, ending	<u>\$ 292,498</u>	<u>\$ 290,701</u>	<u>\$ 293,889</u>	<u>\$ (3,188)</u>

See Independent Accountant's Review Report.

VILLAGE OF RIDGECREST, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule

1. Basis of Presentation

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

2. Budget Amendments and Revisions

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

3. Budget/GAAP Basis Reconciliation

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

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

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

	General Fund	Public Works Fund
Net changes in fund balance – budget basis	\$ (11,919)	\$ 6,041
Increase (decrease)		
Net adjustments for revenue accruals	-	-
Net change in fund balance – GAAP basis	<u>\$ (11,919)</u>	<u>\$ 6,041</u>

See Independent Accountant's Review Report.

SECTION V
OTHER SUPPLEMENTARY INFORMATION

**VILLAGE OF RIDGECREST, LOUISIANA
COMPENSATION OF THE GOVERNING BOARD
YEAR ENDED DECEMBER 31, 2020**

The Governing Board of Village of Ridgecrest, Louisiana consists of a Mayor and five Aldermen. For the year ended December 31, 2020, the Aldermen's compensation was as follows:

Deborah J. Barrett	\$ 1,950
Rita H. Bolyer	1,950
Darlene Humpries	1,950
Veller Ray Carroll, Mayor	<u>7,800</u>
Total	<u>\$ 13,650</u>

See Independent Accountant's Review Report.

VILLAGE OF RIDGECREST, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
YEAR ENDED DECEMBER 31, 2020

Agency Head Name: Veller Ray Carroll, Mayor

Salary	\$	7,800
Reimbursements		<u>-</u>
Total	\$	<u>7,800</u>

See Independent Accountant's Review Report.

VILLAGE OF RIDGECREST, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE – COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION

FOR THE YEAR ENDED DECEMBER 31, 2020

	First Six Month Period Ended <u>June 30, 2020</u>	Second Six Month Period Ended <u>December 31, 2020</u>
Beginning Balance of Accounts Collected	\$ <u>0</u>	\$ <u>0</u>
Add: Collections –		
Criminal fines-Other	\$ <u>12,087</u>	\$ <u>18,683</u>
Less: Amounts Retained by Collecting Agency		
Village of Converse –		
Criminal Fines-Other	\$ <u>(12,087)</u>	\$ <u>(18,683)</u>
Total Disbursements/Retainage	\$ <u>(12,087)</u>	\$ <u>(18,683)</u>
Ending Balance of Amounts Collected	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

SECTION VI
SCHEDULE OF FINDINGS

VILLAGE OF RIDGECREST, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION 1: SUMMARY OF ACCOUNTANT'S RESULTS

Financial statements:

- | | |
|--|---------------|
| 1. Type of report issued on the financial statements: | Review Report |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | N/A |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | N/A |
| 3. Material noncompliance relating to the financial statements? | Yes |

**VILLAGE OF RIDGECREST, LOUISIANA
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

2019-1 Segregation of Duties (Internal Control Finding)

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

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

Cause of Condition: Small entity with very few employees.

Effect of Condition: Material weakness in internal controls.

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

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

2019-2 Public Works Fund Budget (Compliance Finding)

Condition: The Village's Public Works Fund's revenues did not meet its budgeted amount by 16%, and the Public Works Fund's expenditures exceeded its budgeted amount by 6%. Louisiana Revised Statute 39:1311 requires that revenues meet the budget and expenditures not exceed the budget by more than 5%.

Criteria: Louisiana statute requires that governments' revenue not be less than 5% from the budgeted amounts. Louisiana statute also requires that governments' expenditures not surpass the budgeted amounts by 5% or more.

Cause of Condition: The Village did not amend the budget appropriately.

Effect of Condition: Material weakness in internal controls over compliance.

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

VILLAGE OF RIDGECREST, LOUISIANA
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

None

Section III – Management Letter:

None

**VILLAGE OF RIDGECREST, LOUISIANA
CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

2020-1 Segregation of Duties (Internal Control Finding)

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

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

Cause of Condition: Small entity with very few employees.

Effect of Condition: Material weakness in internal controls.

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

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

2020-2 Late Filing of Review Financial Statements

Condition: The Village's reviewed financial statements were not submitted to the Louisiana Legislative Auditor by the statutory due date of June 30, 2021.

Criteria: To be in good standing with the State of Louisiana, the reviewed financial statements must be submitted to the Louisiana Legislative Auditor by June 30, 2021.

Cause of Condition: The reviewed financial statements were due on June 30, 2021, but the books and records were not available until June of 2021. This did not allow enough time to complete the audit.

Effect of Condition: The Village is on the noncompliance list with the State of Louisiana.

Recommendation: We recommend that the Village has its books and records available in a more timely manner.

Response: Management will work to correct this finding.

**VILLAGE OF RIDGECREST, LOUISIANA
CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

None

Section III – Management Letter:

None

LOUISIANA ATTESTATION QUESTIONNAIRE

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

12/31/2020(Date Transmitted)

Silas Simmons, LLP

209 N. Commerce Street

Natchez, MS 39120

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 12/31/2020 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

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

Yes ☒ No ☐ N/A ☐

Code of Ethics for Public Officials and Public Employees

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

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

Budgeting

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

Yes ☒ No ☐ N/A ☐

Accounting and Reporting

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

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes ☒ No ☐ N/A ☐

Meetings

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

Yes ☒ No ☐ N/A ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes ☒ No ☐ N/A ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ☐ No ☐ N/A ☒

Prior-Year Comments

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

Yes ☒ No ☐ N/A ☐

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes ☒ No ☐ N/A ☐

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

Deller R. Campbell Mayor 9-27-21 Date
Shanatha Smith Clerk 9/27/21 Date

SECTION VII
APPLYING AGREED-UPON PROCEDURES



209 N. Commerce St.
Natchez, MS 39120
P. O. Box 1027
Natchez, MS 39121
Tel: 601-442-7411
Fax: 601-442-8551

2120 Forsythe Ave.
Monroe, LA 71201
P. O. Box 4550
Monroe, LA 71211
Tel: 318-323-4481
Fax: 318-323-2188

www.silassimmons.com

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Village of Ridgcrest, Louisiana (The Village) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended December 31, 2020, included in the accompanying Louisiana Attestation Questionnaire. Management of the Village is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000 and public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable, and report whether these expenditures had been made in accordance with these laws.

There were no expenditures for materials or supplies exceeding \$30,000, and no expenditure was made for public works exceeding \$157,700.

Code of Ethics for Public Officials and Public Employees

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

Management provided us with the required lists of all of the seven Board members.

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

Management provided us with the required list.

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

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

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

No vendors appeared on both lists provided to us.

Budgeting

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

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

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

The budget was approved by the Board of Aldermen. We traced the adoption of the amended budget to the minutes of a meeting held on December 8, 2020, which indicated the budget had been approved by the Aldermen.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues were less than budgeted revenues by 32% for the Public Works Fund. Actual expenditures were within budgeted expenditures for the Public Works Fund.

Accounting and Reporting

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

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

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

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

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

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

Meetings

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

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

Debt

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

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

Advances and Bonuses

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

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

State Audit Law

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

The Village provided for a timely report.

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

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

Prior Comments and Recommendations

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

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

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

This report is intended solely for the use of management of Village of Ridgecrest, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silas Simmons, LP

Natchez, Mississippi
September 24, 2021

VILLAGE OF RIDGECREST, LOUISIANA
SCHEDULE OF EXCEPTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Reference No.</u>	<u>Description of Exception</u>
<u>Accounting and Reporting</u>	
Procedure 8	Actual revenues were less than budgeted revenues by 32% for the Public Works Fund. Actual expenditures were within budgeted expenditures for the Public Works Fund.
Procedure 9a	There was no supporting documentation for one of the six selected disbursements.
Procedure 9c	Per review of cancelled checks and supporting documentation, it was noted that the appropriate approval signature for payment of one of the six invoices was not present.

Management's Response

We have reviewed the Supplemental Schedule of Agreed-Upon Procedures and Findings for the year ended December 31, 2020, and agree to the exceptions noted. It is our intent to correct the exception in order to be in compliance with the Louisiana Legislative Auditor's guidelines proposed in the report.