

VILLAGE OF ROBELINE, LOUISIANA

Annual Financial Statements

June 30, 2020

Village of Robeline, Louisiana
Table of Contents
June 30, 2020

	Schedule No.	Page No.
Independent Auditor’s Report.....		1-3
Management’s Discussion and Analysis.....		4-10
Basic Financial Statements		
Statement of Net Position.....	A	12
Statement of Activities.....	B	13
Balance Sheet, Governmental Funds.....	C	14
Reconciliation of the Government Funds Balance Sheet to the Government-Wide Financial Statement of Net Position.....	D	15
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.....	E	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	F	17
Statement of Net Position, Proprietary Funds.....	G	18
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	H	19
Statement of Cash Flows – Proprietary Funds.....	I	20
Notes to the Basic Financial Statements.....		21-30
Required Supplemental Information		
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	1	32
Other Information		
Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer.....		34
Other Reports		
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 Government Auditing Standards.....		36-37
Schedule of Findings and Questioned Costs.....		38-40
Management’s Corrective Action.....		41
Management Letter Comments.....		42
Management’s Summary of Prior Year Findings.....		43-44

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.
davidvercher@centurytel.net

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

**P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374**

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

INDEPENDENT AUDITOR'S REPORT

The Honorable Bobby Behan, Mayor
& Members of the Board
Robeline, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the Village of Robeline, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Village of Robeline'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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Robeline's basic financial statements. The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation of Benefits and Other Payments to Agency Head or Chief Executive Officer is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2020, on our consideration of the Village of Robeline's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over 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 the Village of Robeline's internal control over financial reporting and compliance.

The Vercher Group

Jena, Louisiana

December 30, 2020

Village of Robeline

PO Box 217
Robeline, Louisiana 71469
Tel: (318) 472-6121
Fax: (318) 472-6128

MANAGEMENT'S DISCUSSION & ANALYSIS

As management of the Village, we offer readers of the Village of Robeline's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the Village's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Governmental Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year \$479,499 (*net position*). This is a \$37,454 increase from last year.
- The Village had total revenue of \$591,472, in which \$493,254 came from fines and forfeitures. This is a \$25,290 decrease from last year's revenues, mainly due to a decrease in fines and forfeitures in the amount of \$37,256.
- The Village had total expenditures of \$531,897, which is a \$179,265 decrease from last year, mainly due to a decrease in capital outlay in the amount of \$171,759.

Enterprise Fund

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$417,850 (*net position*). This is a \$13,907 decrease from last year.
- The Village had total revenue of \$10,822. This is a \$1,503 increase from last year.
- The Village had total expenses of \$32,729, including depreciation expense in the amount of \$21,614, which is a non-cash transaction. This is a \$6,989 increase from last year.

MD&A

OVERVIEW OF THE 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 consist of two components: 1) fund financial statements, and 2) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Village is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

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 Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The Village's annual report consists of financial statements that show information about the Village's funds, enterprise funds and governmental funds.

Our accountant has provided assurance in his independent accountant's report, located immediately following this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the accountant regarding the other information included in this report. A user of this report should read the independent accountant's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the Village's Most Significant Funds

The Village's financial statements provide detailed information about the most significant funds. The Village may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Village's enterprise fund uses the following accounting approach:

All of the Village's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

MD&A

Comparative Statement of Net Position Governmental Funds

The following table represents a Comparative Statement of Net Position as of June 30, 2020:

	<u>2019</u>	<u>2020</u>	<u>% Change</u>
Current Assets			
Cash & Cash Equivalents	\$ 137,749	\$ 175,468	27.4
Receivables (Net)	<u>30,633</u>	<u>35,372</u>	15.5
Total Current Assets	<u>168,382</u>	<u>210,840</u>	25.2
Non-Current Assets			
Capital Assets, Net of Accumulated Depreciation	<u>326,906</u>	<u>300,137</u>	-8.2
Total Non-Current Assets	<u>326,906</u>	<u>300,137</u>	-8.2
Total Assets	<u>495,288</u>	<u>510,977</u>	3.2
Current Liabilities			
Accounts Payable	18,854	6,917	-63.3
Accrued Payroll/Payroll Taxes Payable	12,516	15,336	22.5
Notes Payable Due Within One Year	<u>12,651</u>	<u>9,225</u>	-27.1
Total Current Liabilities	<u>44,021</u>	<u>31,478</u>	-28.5
Non-Current Liabilities			
Notes Payable	<u>9,222</u>	<u>-0-</u>	-100.0
Total Non-Current Liabilities	<u>9,222</u>	<u>-0-</u>	-100.0
Total Liabilities	<u>53,243</u>	<u>31,478</u>	-40.9
Net Position			
Net Investment in Capital Assets	305,033	290,912	-4.6
Unrestricted	<u>137,012</u>	<u>188,587</u>	37.7
Total Net Position	<u>\$ 442,045</u>	<u>\$ 479,499</u>	8.5

MD&A

Comparative Changes in Fund Balances Governmental Funds

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2020:

	<u>2019</u>	<u>2020</u>	<u>% Change</u>
Revenues			
Fees & Charges	\$ 23,812	\$ 27,059	13.6
Taxes	56,262	61,146	8.7
Fines & Forfeitures	530,510	493,254	-7.0
Miscellaneous	6,178	10,013	62.1
Total Revenues	<u>616,762</u>	<u>591,472</u>	-4.1
Expenditures			
General:			
Personnel Expense	82,317	132,685	61.2
Contract Labor	3,467	21,413	517.6
Insurance Expense	61,659	74,272	20.5
Other Administrative	27,773	24,802	-10.7
Event Expense	10,973	13,462	22.7
Utilities	24,746	11,871	-52.0
Repairs & Maintenance	34,712	7,680	-77.9
Professional	15,815	9,470	-40.1
Park Expense	17,756	570	-96.8
Miscellaneous	1,868	5,486	193.7
Police:			
Auto Expense	20,073	21,287	6.1
Personnel Expense	181,815	135,021	-25.7
Police-Other	7,836	30,363	287.5
Repairs & Supplies	18,118	14,240	-21.4
Capital Outlay	186,634	14,875	-92.0
Debt Service	15,600	14,400	-7.7
Total Expenditures	<u>711,162</u>	<u>531,897</u>	-25.2
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(94,400)</u>	<u>59,575</u>	163.1
Other Financing Sources (Uses)			
Transfers In/(Out)	<u>(2,185)</u>	<u>(8,000)</u>	266.1
Total Other Financing Sources (Uses)	<u>(2,185)</u>	<u>(8,000)</u>	266.1
Net Change in Fund Balance	(96,585)	51,575	153.4
Fund Balances - Beginning	233,597	137,012	-41.4
Fund Balances - Ending	<u>\$ 137,012</u>	<u>\$ 188,587</u>	37.7

MD&A

Comparative Statement of Net Position Enterprise Fund

The following table represents a Comparative Statement of Net Position as of June 30, 2020:

	<u>2019</u>	<u>2020</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 16,013	\$ 592	-96.3
Receivables (Net)	948	508	-46.4
Restricted Assets	1,981	990	-50.0
Capital Assets, Net of Accumulated Depreciation	438,364	416,750	-4.9
Total Assets	<u>457,306</u>	<u>418,840</u>	-8.4
Liabilities			
Accounts, Salaries, & Other Payables	23,568	-0-	-100.0
Customer Deposits	1,981	990	-50.0
Total Liabilities	<u>25,549</u>	<u>990</u>	-96.1
Net Position			
Net Investment in Capital Assets	438,364	416,750	-4.9
Unrestricted	(6,607)	1,100	116.7
Total Net Position	<u>\$ 431,757</u>	<u>\$ 417,850</u>	-3.2

MD&A

Comparative Changes in Net Position Enterprise Fund

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2020:

	<u>2019</u>	<u>2020</u>	<u>% Change</u>
Operating Revenues	\$ 9,194	\$ 10,822	17.7
Total Operating Revenues	<u>9,194</u>	<u>10,822</u>	17.7
Operating Expenses			
Cost of Sales & Services	5,266	11,115	111.1
Depreciation	20,474	21,614	5.6
Total Operating Expenses	<u>25,740</u>	<u>32,729</u>	27.2
Operating Income (Loss)	<u>(16,546)</u>	<u>(21,907)</u>	32.4
Other Financing Sources (Uses)			
Transfers In (Out)	2,185	8,000	266.1
Other Income	125	-0-	-100.0
Total Other Financing Sources (Uses)	<u>2,310</u>	<u>8,000</u>	246.3
Increase (Decrease) in Net Position	(14,236)	(13,907)	-2.3
Beginning Net Position	<u>445,993</u>	<u>431,757</u>	-3.2
Ending Net Position	<u>\$ 431,757</u>	<u>\$ 417,850</u>	-3.2

CAPITAL ASSETS & LONG-TERM DEBT

Capital Assets – Governmental Fund

At June 30, 2020, the Village had \$300,137 invested in capital assets, including the following:

	Capital Assets at Year-End	
	<u>2019</u>	<u>2020</u>
Land*	\$ 48,000	\$ 48,000
Building	46,010	60,885
Furniture & Equipment	112,462	92,389
Recreation Facility	209,048	209,048
Vehicles	184,299	83,834
Substation	27,000	27,000
Accumulated Depreciation	(299,913)	(221,019)
Total	<u>\$ 326,906</u>	<u>\$ 300,137</u>

* Land in the amount of \$48,000 is not being depreciated.

MD&A

Capital Assets – Enterprise Fund

At June 30, 2020, the Village had \$416,750 invested in capital assets, including the following:

Capital Assets at Year-End			
	2019		2020
Sewer System	\$ 928,455	\$	928,455
Accumulated Depreciation	(490,091)	(511,705)
Totals	<u>\$ 438,364</u>	<u>\$</u>	<u>416,750</u>

Long-Term Debt

Leases payable at June 30, 2020, are comprised of the following individual issues:

Leases Payable

- 1) \$46,600 lease purchase agreement with Acme Auto Lease Company for the purchase of two 2017 Dodge Chargers; due in monthly installments of \$1,200.00 starting 3/10/17 and ending 2/10/2021. Annual interest rate is 10.805%. \$ 9,225

Total \$ 9,225

	Balance 6-30-2019	Additions	Principle Paid	Balance 6-30-2020
Police Auto	\$ 21,873	\$ -0-	\$ (12,648)	\$ 9,225
Total	<u>\$ 21,873</u>	<u>\$ -0-</u>	<u>\$ (12,648)</u>	<u>\$ 9,225</u>

CONTACTING THE VILLAGE’S FINANCIAL MANGEMENT:

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. If you have questions about this report or need additional information, contact Mayor Bobby Behan, phone number (318) 472-6121.

Basic Financial Statements

Village of Robeline, Louisiana
Statement of Net Position
June 30, 2020

	PRIMARY GOVERNMENT		TOTAL
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 175,468	\$ 592	\$ 176,060
Receivables	35,372	508	35,880
TOTAL CURRENT ASSETS	<u>210,840</u>	<u>1,100</u>	<u>211,940</u>
NON-CURRENT ASSETS			
Restricted Assets	-0-	990	990
Capital Assets (Net of Accumulated Depreciation)	300,137	416,750	716,887
TOTAL NON-CURRENT ASSETS	<u>300,137</u>	<u>417,740</u>	<u>717,877</u>
TOTAL ASSETS	<u>510,977</u>	<u>418,840</u>	<u>929,817</u>
CURRENT LIABILITIES			
Accounts Payable	6,917	-0-	6,917
Accrued Payroll/Payroll Taxes Payable	15,336	-0-	15,336
Notes Payable Due Within One Year	9,225	-0-	9,225
TOTAL CURRENT LIABILITIES	<u>31,478</u>	<u>-0-</u>	<u>31,478</u>
NON-CURRENT LIABILITIES			
Customer Deposits (Payable from Restricted Assets)	-0-	990	990
Notes Payable	-0-	-0-	-0-
TOTAL NON-CURRENT LIABILITIES	<u>-0-</u>	<u>990</u>	<u>990</u>
TOTAL LIABILITIES	<u>31,478</u>	<u>990</u>	<u>32,468</u>
NET POSITION			
Net Investment in Capital Assets	290,912	416,750	707,662
Unrestricted	188,587	1,100	189,687
TOTAL NET POSITION	<u>\$ 479,499</u>	<u>\$ 417,850</u>	<u>\$ 897,349</u>

The accompanying notes are an integral part of this statement.

Village of Robeline, Louisiana
Balance Sheet, Governmental Funds
June 30, 2020

		GENERAL FUND
ASSETS		
Cash & Cash Equivalents	\$	175,468
Receivables		35,372
TOTAL ASSETS		210,840
 LIABILITIES		
Accounts Payable		6,917
Accrued Payroll/Payroll Taxes Payable		15,336
TOTAL LIABILITIES		22,253
 FUND BALANCES		
Unassigned		188,587
TOTAL FUND BALANCES		188,587
 TOTAL LIABILITIES & FUND BALANCE	\$	210,840

The accompanying notes are an integral part of this statement.

Village of Robeline, Louisiana
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
June 30, 2020

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

Fund Balance, Total Governmental Funds (Statement C)	\$ 188,587
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds.	300,137
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the Governmental Funds.	Long-Term Debt <u>(9,225)</u>
	<u>(9,225)</u>
Net Position of Governmental Activities (Statement A)	\$ <u>479,499</u>

The accompanying notes are an integral part of this statement.

Village of Robeline, Louisiana
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	<u>GENERAL FUND</u>
REVENUES	
Fees & Charges	\$ 27,059
Taxes:	
Ad Valorem Tax	2,952
Sales Tax	49,297
Franchise Tax	8,897
Fines & Forfeitures	493,254
Miscellaneous	10,013
TOTAL REVENUES	<u>591,472</u>
EXPENDITURES	
General:	
Personnel Expense	132,685
Contract Labor	21,413
Insurance Expense	74,272
Other Administrative	24,802
Event Expense	13,462
Utilities	11,871
Repairs & Maintenance	7,680
Professional	9,470
Park Expense	570
Miscellaneous	5,486
Police:	
Auto Expense	21,287
Personnel Expense	135,021
Police-Other	30,363
Repairs & Supplies	14,240
Capital Outlay	14,875
Debt Service	14,400
TOTAL EXPENDITURES	<u>531,897</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)	
EXPENDITURES	<u>59,575</u>
OTHER FINANCING SOURCES (USES)	
Transfers In/(Out)	<u>(8,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(8,000)</u>
NET CHANGE IN FUND BALANCE	51,575
FUND BALANCES - BEGINNING	<u>137,012</u>
FUND BALANCES - ENDING	<u>\$ 188,587</u>

The accompanying notes are an integral part of this statement.

Village of Robeline, Louisiana
Reconciliation of the Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2020

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

Net Change in Fund Balances, Total Governmental Funds, Statement E		\$ 51,575
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	Capital Outlay Depreciation Exp.	14,875 <u>(41,644)</u> (26,769)
The issuance of short-term and long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	Principal Paid	<u>12,648</u> 12,648
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds.		<u>-0-</u>
Changes in Net Position of Governmental Activities, Statement B		\$ <u>37,454</u>

The accompanying notes are an integral part of this statement.

Village of Robeline, Louisiana
Statement of Net Position, Proprietary Fund
June 30, 2020

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUND	
(MAJOR ENTERPRISE FUND)	
	SEWER
ASSETS	
CURRENT ASSETS	
Cash	\$ 592
Receivables	508
TOTAL CURRENT ASSETS	1,100
NON-CURRENT ASSETS	
Restricted Assets	990
Capital Assets (Net of Accumulated Depreciation)	416,750
TOTAL NON-CURRENT ASSETS	417,740
TOTAL ASSETS	418,840
LIABILITIES	
CURRENT LIABILITIES	
Accounts, Salaries, & Other Payables	-0-
TOTAL CURRENT LIABILITIES	-0-
NON-CURRENT LIABILITIES	
Customer Deposits	990
TOTAL NON-CURRENT LIABILITIES	990
TOTAL LIABILITIES	990
NET POSITION	
Net Investment in Capital Assets	416,750
Unrestricted	1,100
TOTAL NET POSITION	\$ 417,850

The accompanying notes are an integral part of this statement.

Village of Robeline, Louisiana
Statement of Revenues, Expenses & Changes in Net Position
Proprietary Fund
June 30, 2020

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUND	
(MAJOR ENTERPRISE FUND)	
	SEWER
OPERATING REVENUES	
Charges for Services:	
Sewer Charges	\$ 10,822
TOTAL OPERATING REVENUES	10,822
OPERATING EXPENSES	
Cost of Sales & Services	11,115
Depreciation	21,614
TOTAL OPERATING EXPENSES	32,729
OPERATING INCOME (LOSS)	(21,907)
OTHER FINANCING SOURCES (USES)	
Transfers In (Out)	8,000
Other Income	-0-
TOTAL OTHER FINANCING SOURCES (USES)	8,000
CHANGE IN NET POSITION	(13,907)
TOTAL NET POSITION - BEGINNING	431,757
TOTAL NET POSITION - ENDING	\$ 417,850

The accompanying notes are an integral part of this statement.

Village of Robeline, Louisiana
Statement of Cash Flows
Proprietary Fund
June 30, 2020

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUND	
(MAJOR ENTERPRISE FUND)	
	SEWER
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers & Users	\$ 10,271
Payments to Suppliers & Employees	(34,683)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(24,412)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers From (To) Other Funds	8,000
Other Revenue	-0-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>8,000</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Addition of Capital Assets	-0-
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>-0-</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(16,412)
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	<u>17,994</u>
CASH & CASH EQUIVALENTS, END OF YEAR	<u>1,582</u>
RECONCILIATION TO BALANCE SHEET	
Cash and Cash Equivalents	592
Restricted Cash	990
TOTAL CASH & CASH EQUIVALENTS	<u>1,582</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	<u>(21,907)</u>
Depreciation Expense	21,614
(Increase) Decrease in Accounts Receivable	440
Increase (Decrease) in Accounts Payables	(23,568)
Increase (Decrease) in Customer Deposits	(991)
TOTAL ADJUSTMENTS	<u>(2,505)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (24,412)</u>

The accompanying notes are an integral part of this statement.

**Notes To The Basic
Financial Statements**

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Robeline was incorporated under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas, and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

The accounting and reporting policies of the Village of Robeline conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. GOVERNMENT-WIDE & 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 segments 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 meetings the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & 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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

The General Fund is the municipality'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 municipality reports the following major proprietary fund:

- Sewer Activities

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

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges for services and sales taxes. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. 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:

Net Investment 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 "net investment in capital assets".

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

In the Fund Financial Statements, governmental fund equity is classified as a fund balance. The District 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 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;

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund

D. FIXED ASSETS & LONG-TERM LIABILITIES

For the year ended June 30, 2020, no interest costs were capitalized for construction of fixed assets. The Village maintains a threshold level of \$1,500 or more for capitalizing capital assets.

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<u>Life In Years</u>
Sewer System	40
Park	10
Equipment	5-10
Auto	6-7

E. CASH & INVESTMENTS

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Village. For the purpose of the proprietary fund Statement of Cash Flows, “Cash and Cash Equivalents” include all demand savings accounts and certificates of deposit under 90 days.

All cash and investments (CD’s over 90 days) are reported at cost and are on deposit as following federally insured banks:

It is the Village’s policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Village’s deposits are categorized to give an indication of the level of risk assumed by the Village at fiscal year-end. The categories are described as follows:

- *Category 1* – Insured or collateralized with securities held by the Village or by its agent in the Village’s name.
- *Category 2* – Collateralized with securities held by the pledging financial institution’s trust department or agent in the Village’s name.
- *Category 3* – Uncollateralized.

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

At June 30, 2020, the Village of Robeline’s bank balance was \$181,987. Amounts on deposit are secured by the following pledges:

Description	Market Value
FDIC (Category 1)	\$ 181,987
Securities (Category 2)	-0-
Total	\$ 181,987

Deposits were fully secured as of June 30, 2020.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity’s name.

F. INVENTORIES

Immaterial amounts of inventory are maintained for general fund and enterprise fund operations and, accordingly, these supplies are expensed as purchased.

G. ACCOUNTS RECEIVABLE & ALLOWANCE FOR BAD DEBTS

	Governmental	Enterprise
	General	Sewer
	Fund	Sewer
Sales Tax	\$ 3,826	\$ -0-
Fines	30,546	-0-
Miscellaneous	1,000	-0-
Customer	-0-	508
Allowance for Bad Debts	-0-	-0-
Total	\$ 35,372	\$ 508

H. COMPENSATED ABSENCES

The Village has no compensated absence policy.

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

(2) AD VALOREM TAXES

The Village of Robeline levies taxes on real and business personal property located within its boundaries. The Natchitoches Parish Tax Assessor assesses the property values and prepares the Village's property tax roll. The Village bills and collects its own property taxes.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. All ad valorem tax revenues are recognized in compliance with NCGA Interpretation-3 and GASB Codification Section P70 (Revenue Recognition – Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due or past due and receivable within the current period and collected no longer than 60 days after the close of the current period.

For the year ended June 30, 2020, taxes of 4.87 mills were levied on property with assessed valuations of \$790,780. Total taxes levied were \$3,851 in 2020. Delinquent taxes are collected by the sale of the related property; therefore, no allowances for uncollectible taxes are considered necessary.

(3) RESTRICTED ASSETS - PROPRIETARY FUND TYPES

At June 30, 2020, restricted assets of the Enterprise Funds were invested in either interest bearing checking accounts or time deposits and were restricted for the following purposes:

Customer Deposits	\$ <u><u>Sewer</u></u> <u>990</u>
-------------------	--------------------------------------

(4) GOVERNMENTAL FIXED ASSETS

A summary of general fund property, plant and equipment at June 30, 2020, is as follows:

	Balance 6-30-2019	Additions	(Deletions)	Balance 6-30-2020
Land*	\$ 48,000	\$ -0-	\$ -0-	\$ 48,000
Building	46,010	14,875	-0-	60,885
Furniture & Equipment	112,462	-0-	(20,073)	92,389
Recreation Facility	209,048	-0-	-0-	209,048
Vehicles	184,299	-0-	(100,465)	83,834
Substation	27,000	-0-	-0-	27,000
Total Fixed Assets	626,819	14,875	(120,538)	521,156
Accumulated Depreciation	(299,913)	(41,644)	120,538	(221,019)
Total Fixed Assets (Net)	\$ 326,906	\$ (26,769)	\$ -0-	\$ 300,137

* Land in the amount of \$48,000 is not being depreciated.

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

Depreciation expense was charged to governmental functions as follows:

General	\$	18,357
Police		23,287
Total Depreciation	\$	<u>41,644</u>

(5) ENTERPRISE FUND PROPERTY PLANT AND EQUIPMENT

A summary of enterprise fund property, plant and equipment at June 30, 2020, is as follows:

<u>Sewer System</u>	Balance 6-30-2019	Additions	(Deletions)	Balance 6-30-2020
Plant	\$ 928,455	\$ -0-	\$ -0-	\$ 928,455
Accumulated Depreciation	(490,091)	(21,614)	-0-	(511,705)
Total Fixed Assets (Net)	<u>\$ 438,364</u>	<u>\$ (21,614)</u>	<u>\$ -0-</u>	<u>\$ 416,750</u>

(6) ACCOUNTS, SALARIES, AND OTHER PAYABLES

General Fund

The payables of \$22,253 at June 30, 2020, are as follows:

Accounts Payable	\$	6,917
Payroll Taxes Payable		15,336
Total	\$	<u>22,253</u>

Enterprise Fund

The payables of \$-0- at June 30, 2020, are as follows:

Accounts Payable	\$	-0-
Total	\$	<u>-0-</u>

(7) CHANGES IN LONG-TERM DEBT

The following is a summary of lease payable transactions of the Village of Robeline for the year ended June 30, 2020.

	Balance 6-30-2019	Additions	Principle Paid	Balance 6-30-2020
Acme Auto Lease	\$ 21,873	\$ -0-	\$ (12,648)	\$ 9,225
Total	<u>\$ 21,873</u>	<u>\$ -0-</u>	<u>\$ (12,648)</u>	<u>\$ 9,225</u>

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

Leases payable at June 30, 2020, are comprised of the following individual issues:

Leases Payable

1. \$46,600 lease purchase agreement with Acme Auto Lease Company for the purchase of two 2017 Dodge Chargers: due in monthly installments of \$1,200.00 starting 3/10/17 and ending 2/10/2021. Annual interest rate is 10.805% \$ 9,225

Total \$ 9,225

The annual requirements to amortize all debt outstanding as of June 30, 2020, including interest payments, are as follows:

Year Ending June 30,	Police Auto	Total
2021	\$ 9,600	\$ 9,600
2022	-0-	-0-
2023	-0-	-0-
Total	\$ 9,600	\$ 9,600

(8) ELECTED OFFICIAL'S SALARIES

Name	Title	Term in Office	Annualized Salary
Bobby Behan	Mayor	1/1/15 – 12/31/23	\$ 32,800
Gilda Jenkins	Alderman	1/1/15 – 12/31/23	5,000
Bubba Ivy	Alderman	1/1/19 – 12/31/23	5,000
Pamela Jennings	Alderman	1/1/19 – 12/31/23	5,000
Gordon O'Con	Chief of Police	1/8/15 – 12/31/23	\$ 31,800

(9) USE OF ESTIMATES

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

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

(10) RETIREMENT PLANS

The Village does not offer its employees a retirement plan. All employees are in the social security system.

(11) TRANSFERS

	Transfers From/To Other Funds			
Fund		Transfers In	Transfers Out	Total
General	\$	-0-	\$ (8,000)	\$ (8,000)
Sewer		8,000	-0-	8,000
Total	\$	8,000	\$ (8,000)	\$ -0-

The transfers were made to help pay for expenses.

(12) CONTINGENCIES

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Entity operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Village anticipates this could negatively affect its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

(13) SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date through, December 30, 2020, of the independent auditor’s report for potential recognition or disclosure in the financial statements.

**Required Supplemental
Information**

Village of Robeline, Louisiana
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget & Actual
General Fund
For the Year Ended June 30, 2020

	<u>BUDGET AMOUNTS</u>		ACTUAL AMOUNTS BUDGETARY BASIS	BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(UNFAVORABLE)</u>
REVENUES				
Fees & Charges	\$ 25,100	\$ 28,669	\$ 27,059	\$ (1,610)
Taxes	54,823	60,781	61,146	365
Fines & Forfeitures	579,416	468,280	493,254	24,974
Miscellaneous	113,350	70,246	10,013	(60,233)
TOTAL REVENUES	<u>772,689</u>	<u>627,976</u>	<u>591,472</u>	<u>(36,504)</u>
EXPENDITURES				
General:				
Personnel Expense	331,666	317,164	132,685	184,479
Contract Labor	72,117	35,866	21,413	14,453
Insurance Expense	61,567	75,171	74,272	899
Other Administrative	22,836	19,912	24,802	(4,890)
Event Expense	10,540	7,085	13,462	(6,377)
Utilities	23,985	20,707	11,871	8,836
Repairs & Maintenance	5,669	15,757	7,680	8,077
Professional	15,740	9,323	9,470	(147)
Park Expense	60,977	4,659	570	4,089
Miscellaneous	40,930	21,369	5,486	15,883
Police:				
Auto Expense	-0-	-0-	21,287	(21,287)
Personnel Expense	79,726	78,158	135,021	(56,863)
Police - Other	-0-	-0-	30,363	(30,363)
Repairs & Supplies	-0-	-0-	14,240	(14,240)
Capital Outlay	46,936	22,805	14,875	7,930
Debt Service	-0-	-0-	14,400	(14,400)
TOTAL EXPENDITURES	<u>772,689</u>	<u>627,976</u>	<u>531,897</u>	<u>96,079</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-0-</u>	<u>-0-</u>	<u>59,575</u>	<u>59,575</u>
OTHER FINANCING SOURCES (USES)				
Transfers In/(Out)	-0-	-0-	(8,000)	(8,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>(8,000)</u>	<u>\$ (8,000)</u>
NET CHANGE IN FUND BALANCE			51,575	
FUND BALANCES – BEGINNING			<u>137,012</u>	
FUND BALANCES – ENDING			<u>\$ 188,587</u>	

See independent auditor's report.

Other Information

Village of Robeline, Louisiana
Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2020

Honorable Bobby Behan, Mayor

Purpose	Amount
Salary	\$ 32,800
Benefits-Insurance	6,360
Benefits-Retirement	-0-
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.

Other Reports

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.
davidvercher@centurytel.net

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

**P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374**

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

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 *GOVERNMENT AUDITING STANDARDS*

The Honorable Bobby Behan, Mayor
& Members of the Board
Robeline, Louisiana

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

Internal Control Over Financial Reporting

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

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

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

exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items that we consider to be significant deficiencies **(2020-1 Small Size Entity)**.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Robeline's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items: **2020-2 Budget Variance**.

Village of Robeline's Response to Findings

The Village of Robeline's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Village of Robeline's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana

December 30, 2020

**VILLAGE OF ROBELINE
ROBELINE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2020**

We have audited the basic financial statements of the Village of Robeline, Louisiana, as of and for the year ended June 30, 2020, and have issued our report thereon dated December 30, 2020. We conducted our audit in accordance with generally accepted auditing standards and the standards in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I - Summary of Auditor's Results

Our audit of the financial statements as of June 30, 2020, resulted in an unmodified opinion.

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes Significant Deficiencies Yes

Compliance

Compliance Material to Financial Statements Yes

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Type of Opinion on Compliance Unmodified Qualified
For Major Programs Disclaimer Adverse

Are the finding required to be reported in accordance with Uniform Guidance?

Yes No

c. Identification of Major Programs:

CFDA Number (s)	Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$

Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance? Yes No

**VILLAGE OF ROBELINE
ROBELINE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2020**

Section II - Financial Statement Findings

2020-1 Small Size of Entity (Internal Control)

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

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 size of entity and lack of employees.

Effect of Condition: Significant deficiency in internal controls.

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

Client Response: Management will continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of the cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of check written.

2020-2 Budget Variance (Compliance)

Condition: The Village has an unfavorable revenue variance of \$36,504 or 5.8% in its general fund budget for the year ended June 30, 2020.

Criteria: The Budget Act requires that budgets be amended when the variance exceeds 5%.

Cause of Condition: The Village did not generate as much fund revenue as anticipated.

Effect of Condition: Violation of the Budget Act.

Recommendation: The budget should be amended when there is an unfavorable variance of more than 5%.

Client Response: The budget will be amended when there is an unfavorable variance of more than 5%.

**VILLAGE OF ROBELINE
ROBELINE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2020**

Section III – Federal Awards Findings and Questioned Costs

Not applicable.

VILLAGE OF ROBELINE, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION
FOR CURRENT YEAR AUDIT FINDINGS

FINDINGS:

2020-1 Small Size of Entity

Finding: Because of the small size of the Village and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Village's cash. 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.

Corrective Action: Management will continue to provide the necessary oversight in its current 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.

Contact Person: Bobby Behan, Mayor

Anticipated Completion Date: N/A

2020-2 Budget Variance

Finding: The Village has an unfavorable revenue variance of \$36,504 or 5.8% in its general fund budget for the year ended June 30, 2020. The Budget Act requires that budgets be amended when the variance exceeds 5%.

Corrective Action: Management will amend the budget when there is an unfavorable variance of more than 5%.

Contact Person: Bobby Behan, Mayor

Anticipated Completion Date: June 30, 2021

VILLAGE OF ROBELINE, LOUISIANA

MANAGEMENT LETTER COMMENTS

During the course of our review, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Village's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

2020-3 Large Balance of Utility Receivables in Arrears

Condition: The Village has in arrears \$10,505 in sewer billings as of June 30, 2020.

Criteria: The Village should have collection procedures that allows for timely collection of utility billings.

Cause of Condition: The Village does not have an adequate collection procedure to enforce payment of utility billings.

Effect of Condition: Loss of revenue to the Village.

Recommendation: The Village should institute collection procedures that allow for timely collection of utility billings.

Client Response: The Village is currently working with the Rural Water Association to gain an agreement with the local water system that will allow the water system to cut off water services to residence in arrears paying sewer bills to the Village.

VILLAGE OF ROBELINE, LOUISIANA

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Village of Robeline, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2019.

PRIOR YEAR FINDINGS:

2019-1 Small Size of Entity (Unresolved)

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

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 size of entity and lack of employees.

Effect of Condition: Significant deficiency in internal controls.

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

Client Response: Management will continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of the cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of check written.

2019-2 Budget Variance (Unresolved)

Condition: The Village had an unfavorable revenue variance of \$42,577 or 6.5% in its general fund budget for the year ended June 30, 2019.

Criteria: The Budget Act requires that budgets be amended when the variance exceeds 5%.

Cause of Condition: The Village did not generate as much fine revenue as anticipated.

Potential Effect of Condition: Violation of the Budget Act.

VILLAGE OF ROBELINE, LOUISIANA

MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS

Recommendation: The budget should be amended when there is an unfavorable variance of more than 5%.

Client Response: The budget will be amended when there is an unfavorable variance of more than 5%.

2019-3 Budget Adoption (Resolved)

Condition: The Village did not hold a public hearing on its budget adoption.

Criteria: To the extent that proposed expenditures are greater than \$500,000, the Local Government Budget Act requires entities to make their budget available for public inspection and have it advertised its availability in their official journal. The advertisement should include the date, time, and place of the public hearing on the budget.

Cause of Condition: The Village was not aware of the requirements.

Potential Effect of Condition: Violation of the Budget Act.

Recommendation: When budgeted expenditures exceed \$500,000 in the general fund, the Village should make their budget available for public inspection and have it advertised and available in their office journal. The advertisement should include the date, time, and place of the public hearing on the budget.

Client Response: When budgeted expenditures exceed \$500,000 in the general fund, the Village will make their budget available for public inspection and have it advertised and available in their office journal. The advertisement will include the date, time, and place of the public hearing on the budget.