

VILLAGE OF DODSON

FINANCIAL REPORT
JUNE 30, 2022

SHANNA JONES, CPA
WINNFIELD, LOUISIANA

VILLAGE OF DODSON
FINANCIAL REPORT
JUNE 30, 2022

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Village of Dodson

P. O. Box 86
Dodson, LA 71422

MANAGEMENT'S DISCUSSION & ANALYSIS

The Management's Discussion and Analysis of the Village of Dodson's (the Village) financial performance presents a narrative overview and analysis of Village of Dodson's financial activities for the years ended June 30, 2022 and 2021. The Village's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The Village's net position on June 30, 2022 was \$2,622,608 and \$1,940,182 on June 30, 2021. The net position is made up largely of Capital Assets. The Village has \$2,349,335 in Net Capital Assets as of June 30, 2022 with \$502,465 in debt associated with it (\$356,476 in loan/bond payable, \$88,790 in accounts payable and \$57,199 in retainage payable).

During fiscal year ended June 30, 2022 an increase of \$17,691 over prior year expenses was noted in Governmental Expenditures, the majority being in the general governmental function. Personnel and Related Benefits continue to be the highest costs of the General Government. In the Business-type activities Operating Expenses are decrease from the prior year by \$24,995. As required under the terms for the DEQ Loan, sewer rates were increased during the prior year. This DEQ loan related to a taxable bond was obtained in the prior year for a sewer improvement project which was substantially complete at year end; however, the final payments including retainage had not been paid within 60 days of fiscal year end. This loan/bond had \$323,797 and \$43,680 in Non-Operating Revenue/Capital Contribution for forgiven principal during fiscal years ended June 30, 2022 and 2021, respectively. The Bond had a certain covenant which was not met and resulted in finding 22-02. This noncompliance with covenant was related to debt service for not transferring monies to the separate restricted accounts. As noted in the response by management to the findings, the Village had funds available and subsequently is transferring the required amounts and continued to do so as required, except one was short by \$550. It is important to note that the Village made their actual debt service payments timely. Also noted in management's response is that the Village will continue to budget transfers necessary to comply with the debt service coverage ratio going forward.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

Village of Dodson
MANAGEMENT'S DISCUSSION & ANALYSIS (continued)

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

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

OTHER INFORMATION

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

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

The Village's Governmental Fund consist of a major fund: General and one Proprietary Fund: Utilities-Water and Sewer. In the current fiscal year, the General fund increased \$175,657 and Proprietary fund increased \$521,400. The increase in General was mainly the result of American Rescue Plan Act grant income for lost revenues during COVID and slightly higher fines and sales tax revenue. Also in the General is miscellaneous revenue for the fair market value of one police car that were donated to the Village. The increase in Proprietary fund was mainly the result of forgiven loan/bond in the current year. A DEQ loan to improve the sewer facilities was in still progress during the fiscal year and subsequently. As of June 30, 2022, the fund balance and net position, respectively are as follows: General \$421,602, and Proprietary \$1,849,633.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

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

Village of Dodson
MANAGEMENT'S DISCUSSION & ANALYSIS (continued)

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

Summary of Statement of Net Position

	2022		2021	
Assets:	Governmental	Business-type	Governmental	Business-type
Current	\$ 389,667	\$ 317,563	\$ 277,046	\$ 269,238
Non-Current:				
Restricted Cash	55,568	42,009	-	29,717
RUA-Lease Receivable	43,217	-	-	-
Capital Assets (Net)	351,373	1,997,962	366,004	1,285,974
Total Assets	839,825	2,357,534	643,050	1,584,929
Liabilities:				
Current:				
Unrestricted	21,802	82,879	31,101	186,536
Restricted	-	11,347	-	15,499
Non-Current	-	413,675	-	54,661
Total Liabilities	21,802	507,901	31,101	256,696
Deferred Inflows	45,048	-	-	-
Net Position:				
Net Invested in Capital Assets	351,373	1,495,497	366,004	1,041,155
Restricted	55,568	30,662	-	14,218
Unrestricted	366,034	323,474	245,945	272,860
Total Net Position	\$ 772,975	\$ 1,849,633	\$ 611,949	\$ 1,328,233

Village of Dodson
MANAGEMENT'S DISCUSSION & ANALYSIS (continued)

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

	2022		2021	
	Governmental	Business-type	Governmental	Business-type
Revenues:				
Program Revenues—				
Charges for Services,				
Fines, Commissions	\$ 504,961	\$ 142,312	\$ 490,399	\$ 136,766
Operating Grants &				
Contributions	55,568	-	-	2,893
Capital Grants &				
Contributions	-	528,754	-	43,680
General Revenues—				
Ad Valorem Taxes	12,637	-	11,703	-
Sales Taxes	62,163	-	52,539	-
Franchise Taxes	8,950	-	7,836	-
ROA Lease/Rental Income	2,107	-	2,600	-
Licenses & Fees	19,108	-	14,054	-
Interest & Miscellaneous	<u>11,982</u>	<u>294</u>	<u>7,259</u>	<u>254</u>
Total Revenues	677,476	671,360	586,390	183,593
Expenditures:				
General Government	293,627	-	279,859	-
Public Safety	206,766	-	203,656	-
Public Works	25,437	-	24,624	-
Operating	<u>-</u>	<u>140,580</u>	<u>-</u>	<u>165,575</u>
Total Expenditures	525,830	140,580	508,139	165,575
Excess (Deficiency) of				
Revenues over (under)				
Expenditures	<u>151,646</u>	<u>530,780</u>	<u>78,251</u>	<u>18,018</u>
Other Financing Sources Uses:				
Sale of Asset	-	-	-	-
Transfers from Other Funds	9,380	-	422	-
Transfers to Other Funds	<u>-</u>	<u>(9,380)</u>	<u>-</u>	<u>(422)</u>
Total Other Financing Sources				
(Uses)	<u>9,380</u>	<u>(9,380)</u>	<u>422</u>	<u>(422)</u>
Changes in Net Position	\$ 161,026	\$ 521,400	\$ 78,673	\$ 17,596

Village of Dodson
MANAGEMENT'S DISCUSSION & ANALYSIS (continued)

FUNCTIONS OF EXPENSES

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

GENERAL BUDGETARY HIGHLIGHTS

For the year ended June 30, 2022, total revenues and total expenditures were within the favorable variance allowed by state law. Actual Revenues and Other Financing Sources exceeded Budgeted Revenues and Other Financing Sources by \$111,610 causing a favorable variance. Budgeted Expenditures exceeded Actual Expenditures by \$78,481 which is favorable variance.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village has prepared its fiscal year ended June 30, 2022 budget for the General Fund on the assumptions that revenues and expenditures will remain fairly consistent next year. Revenues and expenditures for the Proprietary Fund should also remain consistent during the next fiscal year, with the exception of the large capital project for wastewater/sewer renovation which will require more draws on Department of Environmental Quality loan and related to the issuance of sewer revenue bonds and is expected to have additional forgiven principal. Additional funds may be required to be transferred from Water to Sewer within the Proprietary Funds or from the General Fund to meet rate covenant of the DEQ loan. The LCDBG Grant for Water improvements will also continue in the subsequent fiscal year.

CONTACTING THE VILLAGE

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

Shanna Jones, CPA

*795 Big Creek Rd
Winnfield, LA 71483
792-8544*

INDEPENDENT AUDITOR'S REPORT

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

Qualified and Unmodified Opinions

I have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of Village of Dodson, Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the Table of Contents.

Qualified Opinion on the Governmental Activities

In my opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of my report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Village of Dodson, Louisiana, as of June 30, 2022, 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.

Unmodified Opinions on Business-type Activities, Governmental Fund, Proprietary Funds

In my opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of my report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and each major fund, of the Village of Dodson, Louisiana, as of June 30, 2022, 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.

Basis for Qualified and Unmodified Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S. and the *Louisiana Governmental Audit Guide*. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Village of Dodson, Louisiana (the "Village"), and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

Management has been withholding Social Security on employees and was informed by Municipal Police Employees Retirement System (MPERS) that the Village is required to participate. At this time Management is researching that claim with their attorney and MPERS is researching how far back the participation should be, how much will need contributing, and will have an actuary calculate amounts to be recorded on the Governmental Activities portion of the Government Wide Financial Statements. Accounting principles generally accepted in the United States of America require that pension expense, liability and deferred in and out flows be recorded, which would modify increase the assets, deferred inflows and outflows of resources, expenditures, and lower net position in the Governmental Activities. The amount by which this departure would affect the assets, deferred inflows and outflows of resources, expenditures, and net position of the Governmental Activities has not been determined.

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the U.S. require that Management's Discussion and Analysis, the Budgetary Comparison Schedule on pages M-1 through M-5, and page 32 respectively, to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the U.S., which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on financial statements that collectively comprise the Village of Dodson's basic financial statements. The Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head or Chief Executive Officer (the "Schedule of Compensation") presented on page 34 and the Justice System Funding Schedule for Collecting/Disbursing Entity presented on page 35 while listed in the Table of Contents as Supplementary Information are presented for purposes of additional analysis and are not required parts of the basic financial statements but are required by Act 462 of 2015 which amends Act 706 of the Louisiana 2014 Legislative Session and by Act 87 of the Louisiana 2020 Legislative Session. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Note that the Justice System Funding Schedule is required to be and is prepared in accordance with cash basis, which is a basis other than auditing standards generally accepted in the U.S. 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 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 my opinion, the Schedule of Compensation, Benefits and Other Payments and the Justice System Funding Schedule for Collecting/Disbursing Entities are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

As allowed by Louisiana R.S. 24:513, the Louisiana Legislative Auditor has required governmental entities with public funds of \$500,000 or more to have certain agreed-upon procedures performed as included in the *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures* (SAUPs). The Village’s management is responsible for those control and compliance (C/C) areas identified in the SAUPs, see pages 55-57. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Governmental Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report presented on pages 44-54. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued the report dated October 25, 2022, on my consideration of the Village of Dodson’s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Dodson’s internal control over financial reporting and compliance.



Shanna Jones, CPA
Winnfield, Louisiana
October 25, 2022

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

VILLAGE OF DODSON
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
Assets:			
Current Assets:			
Cash & Cash Equivalents	\$ 193,850	\$ 301,286	\$ 495,136
Receivables	192,366	16,277	208,643
Prepaid Expenses	3,451	-	3,451
Total Current Assets	389,667	317,563	707,230
Non-Current Assets:			
Restricted Assets—Cash	55,568	42,009	97,577
RUA—Lease Receivables, net	43,217	-	43,217
Capital Assets			
Non-Depreciable	5,500	1,087,627	1,093,127
Depreciable (Net)	345,873	910,335	1,256,208
Subtotal Capital Assets	351,373	1,997,962	2,349,335
Total Non-Current Assets	450,158	2,039,971	2,490,129
Total Assets	839,825	2,357,534	3,197,359
Liabilities:			
Current Liabilities:			
Accounts Payable	11,965	90,586	102,551
Payroll & Related Liabilities	2,130	-	2,130
Due to/from	7,707	(7,707)	-
Restricted Liabilities—Customers’			
Deposits	-	11,347	11,347
Current portion of DEQ Loan	-	18,000	18,000
Total Current Liabilities	21,802	112,226	134,028
Non-Current Liabilities:			
Retainage Payable	-	57,199	57,199
DEQ Loan	-	338,476	338,476
Total Non-Current Liabilities	-	395,675	395,675
Total Liabilities	21,802	507,901	529,703
Deferred Inflows	45,048	-	45,048
Net Position:			
Net Investment in Capital Assets	351,373	1,495,497	1,846,870
Restricted	55,568	30,662	86,230
Unrestricted	366,034	323,474	689,508
Total Net Position	\$ 772,975	\$ 1,849,633	\$ 2,622,608

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

VILLAGE OF DODSON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Program Activities	Expenses	Program Revenue			Net (Expense) Revenue & Changes in Net Position		
		Fines, Fees, Commissions & Charges for Services	Grants & Contributions Operating	Capital	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General & Admin	\$ 293,627	\$ 7,304	\$ 55,568	\$ -	\$ (230,755)		\$ (230,755)
Public Safety	206,766	497,657			290,891		290,891
Public Works	25,437	-		-	(25,437)		(25,437)
Total Governmental	<u>525,830</u>	<u>504,961</u>	<u>55,568</u>	<u>-</u>	34,699		34,699
Business-type Activities:							
Water	64,544	86,533	-	204,957		\$ 226,946	226,946
Sewer	76,036	55,779	-	323,797		303,540	303,540
Total Business-type	<u>\$ 140,580</u>	<u>\$ 142,312</u>	<u>\$ -</u>	<u>528,754</u>		530,486	530,486
General Revenues:							
Taxes:							
Ad Valorem					12,637		12,637
Sales					62,163		62,163
Franchise					8,950		8,950
Licenses & Permits					19,108		19,108
ROA Lease Revenue					2,107		2,107
Interest Earnings					600	294	894
Miscellaneous					11,382		11,382
Transfers					9,380	(9,380)	-
Total General Revenues and Transfers					<u>126,327</u>	<u>(9,086)</u>	<u>117,241</u>
Change in Net Position					161,026	521,400	682,426
Net Position July 1, 2021					<u>611,949</u>	<u>1,328,233</u>	<u>1,940,182</u>
Net Position June 30, 2022					<u>\$ 772,975</u>	<u>\$ 1,849,633</u>	<u>\$ 2,622,608</u>

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

FUND FINANCIAL STATEMENTS

VILLAGE OF DODSON
BALANCE SHEET—GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>Major Fund General</u>
Assets:	
Current Assets:	
Cash & Cash Equivalents	\$ 193,850
Receivables	190,387
RUA—Lease Receivables, current portion	1,979
Prepaid Expenses	<u>3,451</u>
Total Current Assets	389,667
Non-Current Assets:	
Restricted—Cash & Cash Equivalents	55,568
RUA—Lease Receivables, net of current portion	<u>43,217</u>
Total Current Assets	98,785
Total Assets	<u><u>488,452</u></u>
Liabilities:	
Current Liabilities:	
Accounts Payable	11,965
Payroll & Related Liabilities	2,130
Due to Proprietary Fund	<u>7,707</u>
Total Current Liabilities	<u>21,802</u>
Deferred Inflow:	
Right of Use Asset-Lease Receivable	<u>45,048</u>
Fund Balances:	
Nonspendable	3,451
Restricted	55,568
Unassigned	<u>362,583</u>
Total Fund Balances	<u>421,602</u>
Total Liabilities & Fund Balances	<u><u>\$ 488,452</u></u>

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

VILLAGE OF DODSON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total Fund Balances for the Governmental Funds at June 30, 2022		\$ 421,602
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:		
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:		
Non-Depreciable	5,500	
Depreciable	1,171,929	
Less: Accumulated Depreciation	<u>(826,056)</u>	<u>351,373</u>
Total Net Position of Governmental Activities at June 30, 2022		<u>\$ 772,975</u>

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

VILLAGE OF DODSON
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Major Fund General</u>
Revenues:	
Taxes:	
Ad Valorem	\$ 12,637
Sales	62,163
Franchise	8,950
Licenses & Permits	19,108
Fines & Forfeitures	497,657
Charges for Services	7,304
Grant-ARPA	55,568
ROA Lease Revenue	2,107
Miscellaneous:	
Interest Earned	600
Other	<u>11,382</u>
 Total Revenues	 <u>677,476</u>
 Expenditures:	
Current:	
General Government	287,833
Public Safety	202,930
Public Works	6,097
Capital Outlay	<u>14,339</u>
 Total Expenditures	 <u>511,199</u>
 Excess (Deficiency) of Revenues over Expenditures	 <u>166,277</u>
 Other Financing Sources/(Uses):	
Transfers In	<u>9,380</u>
 Excess (Deficiency) of Revenues & Other Financing Sources over Expenditures & Other Financing Uses	 <u>175,657</u>
 Fund Balances—Beginning of Year	 <u>245,945</u>
 Fund Balances—End of Year	 <u>\$ 421,602</u>

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

VILLAGE OF DODSON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances—Governmental Funds	\$	175,657
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>		
<p>Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of Capital Assets recorded in the current period is</p>		
		14,339
<p>Governmental Funds report the entire amount received from the Sales of Assets as Revenues, but the undepreciated cost of the assets reduces the gain from the sale in the Statement of Activities.</p>		
	(-
)	
<p>Depreciation expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is</p>		
	<u>(</u>	<u>28,970</u>)
<p>Net Change in Net Position of Governmental Activities per Statement of Activities</p>		
	<u>\$</u>	<u>161,026</u>

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

VILLAGE OF DODSON
STATEMENT OF NET POSITION—PROPRIETARY FUND
JUNE 30, 2022

Assets:

Current Assets:

Cash & Cash Equivalents	\$ 301,286
Receivables, Net	16,277
Due from General Fund	<u>7,707</u>
Total Current Assets	325,270

Non-Current Assets:

Restricted—Cash & Cash Equivalents	42,009
Capital Assets:	
Nondepreciable	1,087,627
Depreciable (Net of Depreciation)	<u>910,335</u>
Subtotal Capital Assets	<u>1,997,962</u>
Total Non-Current Assets	2,039,971

Total Assets	<u>2,365,241</u>
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Liabilities:

Current Liabilities:

Accounts Payable	90,586
Restricted Liabilities—Customer Deposits	11,347
Current portion of DEQ Loan/Bond	<u>18,000</u>
Total Current Liabilities	119,933

Non-Current Liabilities:

Retainage Payable—Water	22,642
Retainage Payable—Sewer	34,557
DEQ Loan/Bond, net of current portion	<u>338,476</u>
Total Non-Current Liabilities	395,675

Total Liabilities	<u>515,608</u>
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Net Position:

Net Investment in Capital Assets	1,495,497
Restricted	30,662
Unrestricted	<u>323,474</u>

Total Net Position	<u>\$ 1,849,633</u>
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The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF DODSON
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION—PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

Operating Revenues:

Charges for Services	
Water	\$ 86,533
Sewer	<u>55,779</u>
Total Operating Revenues	<u>142,312</u>

Operating Expenses:

Water	
Operating Supplies	8,718
Repairs & Maintenance	8,312
Telephone & Utilities	9,780
Depreciation	37,734
Sewer	
Operating Supplies	1,680
Repairs & Maintenance	13,203
Telephone & Utilities	19,054
Depreciation	<u>39,971</u>
Total Operating Expenses	<u>138,452</u>
Net Operating Income/(Loss)	<u>3,860</u>

Non-Operating Revenues (Expenses):

Investment Interest	294
Principal Forgiveness DEQ Loan/Bond	323,797
Interest Expense—Sewer Project	<u>(2,128)</u>
Total Non-Operating Revenues (Expenses)	<u>321,963</u>
Net Income before Transfers	<u>325,823</u>

Contributions & Transfers:

Capital Grant—Water LCDBG	204,957
Transfers In—Sewer	44,452
Transfers Out—Water	<u>(53,832)</u>
Total Contributions and Transfers	195,577
Change in Fund Net Position	521,400
Fund Net Position—Beginning of Year	<u>1,328,233</u>
Fund Net Position—End of Year	<u>\$ 1,849,633</u>

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

VILLAGE OF DODSON
STATEMENT OF CASH FLOWS—PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

Cash Flows from Operating Activities:

Receipts from Customers	\$ 139,929
Payments to Suppliers	(119,859)
Payments, Netted for Interfund Borrowing, General Fund	<u>1,673</u>
Net Cash Provided by Operating Activities	<u>21,743</u>

Cash Flows from Non-Capital & Related Financing Activities:

Transfers (to)/from Other Funds	<u>(9,380)</u>
Net Cash (Used) by Non-Capital & Related Financing Activities	<u>(9,380)</u>

Cash Flows from Capital & Related Financing Activities:

Capital Grant (LCDBG)	204,957
Capital Financing (DEQ)	323,796
Principal Forgiveness on Capital Financing (DEQ)	323,797
Interest Payments on Capital Debt	(2,128)
Principal Payments on Capital Debt	(11,000)
(Increase) in Construction in Progress	<u>(789,693)</u>
Net Cash Provided by Capital & Related Financing Activities	<u>49,729</u>

Cash Flows from Investing Activities:

Interest Earned on Operating Accounts	<u>294</u>
Net Cash Provided by Investing Activities	<u>294</u>

Net Increase (Decrease) in Cash & Cash Equivalents 62,386

Cash & Cash Equivalents—Beginning of Year 280,909

Cash & Cash Equivalents—End of Year \$ 343,295

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

Operating Activities:	
Operating Income	\$ 3,860
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Depreciation	77,705
Changes in Assets & Liabilities:	
(Increase)/Decrease in Accounts Receivable, Net	1,771
(Increase)/Decrease in Due from General Fund	1,673
Increase/(Decrease) in Accounts & Other Payables	<u>(63,266)</u>
Net Cash Provided by Operating Activities	<u>\$ 21,743</u>

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

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1—INTRODUCTION

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

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

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

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

New Accounting Standard:

The Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases, and as required the Village has adopted it in this fiscal year. This Statement outlines a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Village has analyzed the provisions of GASB Statement No. 87, Leases, and has concluded that there are two leasing arrangements which qualify for disclosure under the new statement with the Village being the lessor.

Basis of Presentation

Government-Wide Financial Statements (GWFS):

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS):

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

The funds of the Village are described as follows:

Governmental Funds:

General Fund—The General Fund, is the principal fund and is used to account for the operations of the Village's office. The Village's primary source of revenue is fines and forfeitures. Other major sources of revenue include ad valorem taxes levied by the Village, franchise taxes, licenses and state grants. General operating expenditures are paid from this fund. The Village voted to have a one percent sales tax collected beginning in January of 2020 to assist in the operations of the general fund. These monies would be collected by the parish sales tax collector, the Winn Parish School Board, for a fee. The tax is set to expire in 10 years.

Proprietary Fund:

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

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Proprietary funds distinguish operating revenues and expenses from non-operating 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 the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

Measurement Focus and Basis of Accounting

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

Accrual Basis—Government-Wide Financial Statements (GWFS)

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

Modified Accrual Basis—Fund Financial Statements (FFS)

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

Assets Liabilities and Equity

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

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Cash restricted by grantors, lenders, or other requirements are listed as noncurrent assets on the balance sheets and statement of net position.

Capital Assets—The Village reports property and equipment in the governmental activities column in the GWFS. Capital assets are carried at historical or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

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

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

Right of Use Asset—Leases—The Village has a building and a spot on the water tower which it leases out. These assets have not been broken out of capital assets as the leases do not affect their depreciation status.

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

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

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

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.

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

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

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

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

As of June 30, 2022, the General Fund, the Village’s only major governmental fund, has a nonspendable fund balance of \$3,451 which represents prepaid expenses and \$55,568 in restricted ARPA funds. The remaining fund balance of \$362,583 is classified as unassigned. If applicable, the Village would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

Budget—Prior to the beginning of each fiscal year, the Village adopts a budget for the next fiscal year. The budget is open for public inspection. All budgeted appropriations lapse at the end of each fiscal year. The current year budget appears to be prepared on a cash basis of accounting.

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

NOTE 3—AD VALOREM TAXES

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

The Village levied the following ad valorem taxes for 2021:

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

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

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

NOTE 4—CASH AND CASH EQUIVALENTS

Custodial risk for deposits is the risk that in the event of failure of a depository financial institution, the Village’s deposits may not be recovered; they may not be able to recover the collateral securities that are in the possession of an outside party. At June 30, 2022, the carrying amount of the Village’s cash and cash equivalents of governmental and enterprise funds (collected bank balances) totaled approximately \$671,099. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agents. These securities are held in the name of the pledging fiscal agent banks in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2022, the Village’s deposits were secured from risk by federal deposit insurance of \$250,000 and by securities pledged in the Village’s name by the fiscal agent bank with a market value of \$269,699 however that leaves \$151,400 unsecured. See finding 22-03. The Village does not have a policy for custodial credit risk.

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5—REVENUES RECEIVABLE

The following is a summary of receivables as of June 30, 2022:

	General Fund	Proprietary Fund
Fines & Forfeitures (Net)	\$ 178,795	
Ad Valorem Taxes	140	
Sales Taxes (Net of related fees)	9,390	
Miscellaneous	2,062	
Water Charges	-	\$ 9,953
Sewer Charges	-	6,324
Total	\$ 190,387	\$ 16,277

In accordance with GASB 87, the Village recorded two Right of Use Asset—Lease receivables in the General Fund and in Governmental Activities. The current portion of the RUA-Lease Receivables was \$1,979 and the remaining long-term portion was \$43,217 as of June 30, 2022, See Note 16.

The Fines and Forfeitures had an allowance for doubtful accounts in the amount of \$367,408, which has been netted against total receivable above. Historically, bad debts for other receivables have not been significant; therefore, no allowance for bad debts was recorded.

NOTE 6—CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 are as follows:

	Balance 07/01/21	Additions	Deletions	Balance 06/30/22
Governmental <u>Activities</u>				
Capital Assets—NonDepreciable:				
Land	\$ 5,500	\$ -	\$ -	\$ 5,500
Capital Assets—Depreciable:				
Furniture and Equipment	489,165	14,339	-	503,504
Land Improvements	398,807	-	-	398,807
Buildings	269,618	-	-	269,618
Total Depreciable Assets	1,157,590	14,339	-	1,171,929
Total Capital Assets	1,163,090	14,339	-	1,177,429
Less Accumulated Depreciation:				
Furniture and Equipment	474,508	5,804	-	480,312
Land Improvements	106,302	19,941	-	126,243
Buildings	216,276	3,225	-	219,501
Total Accum. Depreciation	797,086	28,970	-	826,056
Net Capital Assets	\$ 366,004			\$ 351,373

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Business-type Activities	Balance <u>07/01/21</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06/30/22</u>
Capital Assets—NonDepreciable:				
Construction in Progress	\$ 297,934	\$ 789,693	\$ -	\$1,087,627
Capital Assets—Depreciable:				
Water System Equipment	254,932	-	-	254,932
Water Plant	775,220	-	-	775,220
Sewer System Equipment	89,592	-	-	89,592
Sewer Plant	<u>1,598,833</u>	<u>-</u>	<u>-</u>	<u>1,598,833</u>
Total Depreciable Assets	<u>2,718,577</u>	<u>-</u>	<u>-</u>	<u>2,718,577</u>
Total Capital Assets	<u>3,016,511</u>	<u>789,693</u>	<u>-</u>	<u>3,806,204</u>
Less Accumulated Depreciation:				
Water Equipment	137,929	18,353	-	156,282
Water Plant	303,205	19,381	-	322,586
Sewer System Equipment	89,592	-	-	89,592
Sewer Plant	<u>1,199,811</u>	<u>39,971</u>	<u>-</u>	<u>1,239,782</u>
Total Accum. Depreciation	<u>1,730,537</u>	<u>77,705</u>	<u>-</u>	<u>1,808,242</u>
Net Capital Assets	<u>\$1,285,974</u>			<u>\$1,997,962</u>

Depreciation expense for the year ended June 30, 2022 of \$28,970 is charged for Governmental activities. These charges went to the General Government function in the amount of \$5,794, Public Safety \$3,836 and \$19,340 for Public Works. Depreciation expense for the year ended June 30, 2022 of \$77,705 for the Business-type Activities the Utility Fund had \$37,734 charged to the Water expenditures and \$39,971 charged to Sewer expenditures. Construction in progress had \$787,025 related to the wastewater project, \$291,167 related to the LCDBG water project, and the remainder related to a generator install.

NOTE 7—PENSION PLAN

All employees of the Village of Dodson, Louisiana are covered by the Social Security System. Employees contribute 6.2 percent of their total salary to the System, while the Village also contributes 6.2 percent. For the year ended June 30, 2022, the Village's portion contributed was approximately \$13,560. Any future deficit in this System will be financed by the United States Government. As noted in the auditor's report Municipal Police Employees Retirement System has informed the Village that they are required to participate in their retirement plan rather than Social Security. The Village's attorney is researching this matter and believes neither an outcome nor an amount of potential liability for this can be determined at this time. See Qualified opinion on the matter in Independent Auditor's Report and Finding 22-01 in the Schedule of Findings.

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8—OTHER POST EMPLOYMENT BENEFITS

All employees of the Village of Dodson, Louisiana are covered by the Medicare System. Employees contribute 1.45 percent of their total salary to the System, while the Village also contributes 1.45 percent. For the year ended June 30, 2022, the Village’s portion contributed was approximately \$3,170. Any future deficit in this System will be financed by the United States Government. No other health benefits are available to the Village at this time.

NOTE 9—PENDING LITIGATION

At June 30, 2022, there were no outstanding suits noted as seeking damages against the management of the Village of Dodson.

NOTE 10—RELATED PARTIES

The Village had one identified related party with transactions for the year ended June 30, 2022. During the fiscal year ended June 30, 2022, the Village purchased approximately \$10,781 of parts from a company owned by family members of a board member, after receiving permission from the ethics board.

NOTE 11—COOPERATIVE ENDEAVORS

The Village was party to a cooperative endeavor with the State of Louisiana Department of Transportation and Development to perform certain maintenance including mowing and litter pick up along the state roadways located within the Village of Dodson for the fiscal year ended June 30, 2022.

NOTE 12—COMPENSATION PAID TO THE MAYOR & BOARD OF ALDERMEN

For the fiscal year ended June 30, 2022 the following compensation was earned by the Village’s management:

Richard Broomfield, Jr.—Mayor	\$ 45,000
Karla Shively	3,900
Gary Robertson	3,900
Waymon Payne	<u>3,900</u>
Total	<u>\$ 56,700</u>

NOTE 13—SEWER REVENUE BOND

During the fiscal year ended June 30, 2021, the Village authorized the issuance of Taxable Sewer Revenue Bond, Series 2020, in an amount not to exceed \$793,000; to sell said Bond to the Clean Water State Revolving Fund; authorizing execution of a Loan and Pledge Agreement and other loan documents with the Louisiana Department of Environmental Quality (“DEQ”). The proceeds of which were for the purpose of a wastewater treatment plant renovation.

According to the Agreements, Net Revenues as defined in the loan are pledged against the debt. The Bond is entitled to principal forgiveness up to the lesser of \$396,500 or 50% of the total draws on the Bond. Per DEQ the forgiveness is reclassified as Non-Operating Income at the time

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

of forgiveness. Note that the bond/loan will be paid out in draws as construction progresses rather than the Village receiving a lump sum of the total amount. Beginning on the Closing Date the bond shall bear interest (and administrative fees) only payable semi-annually on June 1 and December 1. Principal payments in annual installments will be due 3 years after closing or 1 year after completion of the project, whichever occurs first. Interest rate is listed as .45% with an additional administrative fee of .5% over 20-year term.

Separate accounts are required related to the Bond and project. A Construction account is required to handle the receipt and payments related to the construction of the wastewater treatment renovation. A Debt Service Fund sufficient to pay promptly and fully the principal and interest of the Bond as it becomes due, which as of June 30, 2022, appeared to be a restriction of \$20,384, which is made up of the sum of monthly transfers less the principal and interest paid on the bond. Monthly transfers are required, and once being made aware of this fact the Village made a make-up transfer and continued to transfer the monthly amounts. However, since this occurred during the year a finding was required, see finding 22-02. A Reserve Fund to commence with the month following delivery of the Bond equal to at least 25% of the amount to be paid to Debt Service Fund, totaled \$8,409 in restricted funds for the fiscal year. However, this too was short by \$550, see finding 22-02. A Depreciation and Contingencies Fund paid monthly, equal to 5% of the Net Revenues of the preceding month (provided funds are available after paying necessary expenses and to the previous 2 accounts), until \$100,000 is accumulated. Monies from this account may be utilized for principal and interest on the Bond or for emergency repairs as long as this account remains \$25,000 or more. Then monies will be redeposited until the hundred thousand dollars is accumulated. Otherwise, monies are restricted for Debt Service. As of June 30, 2022 the amount required to be restricted for this account was \$2,064 and the amount actually reserved was \$2,419 which is an overage but favorable therefore no finding is required.

A Debt Service Coverage Ratio is also listed in the Bond Covenants. It states that the Village as Issuer covenants to fix, establish and maintain such rates and collect such charges for services necessary to provide revenues in each year sufficient to pay reasonable and necessary expenses of operating and maintaining the System, to pay principal and interest maturing on the bonds each year, and to make all payments required for the reserves and sinking funds mentioned above. The Net Revenues must be at least equal to 125% of the largest amount of principal and interest maturing on the bonds in any future bond year. In the event the revenues are insufficient the Village may take into account other available sources of funding provided they are budgeted for such purpose at the beginning of the fiscal year, including transfers from other accounts. The Village chose to transfer monthly amounts from Water to Sewer to assist in meeting this covenant. Based on the fiscal year ended June 30, 2022 figures of the audit report they do appear to meet this covenant.

According to the LDEQ, the monies loaned to the Village as a subrecipient are not direct federal loans, nor are all funds passed through to the Village federal monies. Confirmation with LDEQ is required annually to confirm federal amounts. For the fiscal year ended June 30, 2022, the confirmation received showed federal funds expended as \$231,536. These funds are subject to requirements for CFDA number 66.458.

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

As of June 30, 2022 DEQ loan/bond proceeds summary were as follows:

Beginning Balance—Bond/Loan Payable 6/30/21	\$ 43,680
Funds utilized during fye 6/30/22	647,593
Funds forgiven—Principal during fye 6/30/22	(323,797)
Principal Payments	<u>(11,000)</u>
Total Bond/Loan Balance as of 6/30/22	<u>\$ 356,476</u>
Current portion	<u>(18,000)</u>
Total Bond/Loan Balance as of 6/30/22, Net of current	<u>\$ 338,476</u>

Although draws are still ongoing for the loan/bond, for the fiscal year ended June 30, 2023, estimated payments of principal \$18,000 and interest/administration fees \$3,370 totaling \$21,370 are required to be made.

Amounts not yet borrowed on loan/bond for work performed through through 6/30/22 added to the following accounts:

Accounts payable	\$ 17,515
Retainage payable	34,557

NOTE 14—POTABLE WATER/LCDBG PROJECT

During the fiscal year ended June 30, 2022 the Village received awards from Louisiana Community Development Block Grant (LCDBG) from their Public Facilities Program FYs 2019-2021 to for water improvements totaling \$366,657. These funds were noted to be reported under CFDA number 14.228.

For the fiscal year ended June 30, 2022,

Amounts received and expended during the year	\$ 204,957
Amounts payable for work performed during the fye	63,568
Retainage payable for work performed during the fye	<u>22,642</u>
Total amount place in Construction in Progress related to the project	<u>\$ 291,167</u>

NOTE 15—ARPA FUNDS

Congress passed the American Rescue Plan Act (ARPA) which allowed governmental entities to file for and receive funds related to a loss of revenues as a result of COVID. These entities could calculate the lost revenues based on a formula from US Treasury or elect to receive a standard allowance calculated by the US Treasury. The Village elected the standard amount and was approved for funds allocated in the amount of \$111,136. During the fiscal year ended June 30, 2022, only \$55,568 had been received and none of the funds had been expended. There are restrictions on the uses available and timing requirements for these funds which appear to be subject to CFDA 21.027.

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 16—RIGHT OF USE ASSETS—LEASES RECEIVABLE AND DEFERRED INFLOW

The Village has analyzed the provisions of GASB Statement No. 87, Leases, and has concluded that there are two leasing arrangements which qualify for disclosure under the new statement with the Village being the lessor.

The first is Village’s old fire station building. This lease was signed December 9, 2016 with an individual for 99 years at \$50 per month. The present value was calculated using the Village’s interest and administrative fee rate from their Sewer Revenue Bond of .95%.

The building right of use asset (RUA) lease receivable and related deferred inflow was recorded at present value of payments which was calculated to be \$37,512 as of July 1, 2021. Its revenue and related reduction in deferred inflow recognized during the fiscal year was \$389. The lease payments received were recorded against RUA-Lease receivable in the amount of \$244 and the interest revenue in the amount of \$356.

The second is for Village to provide a spot for a communications antenna on the water tower. This lease was stated to be effective January 1, 2017, with business for 10 years at \$150 per month. The present value was calculated using the Village’s interest and administrative fee rate from their Sewer Revenue Bond of .95%.

The antenna’s spot on the water tower right of use asset (RUA) lease receivable and related deferred inflow was recorded at present value of payments which was calculated to be \$9,643 as of July 1, 2021. Its revenue and related reduction in deferred inflow recognized during the fiscal year was \$1,718. The lease payments received were recorded against RUA-Lease receivable in the amount of \$1,715 and the interest revenue in the amount of \$85.

	<u>Old Fire Bldg</u>	<u>Antenna</u>	<u>Total</u>
RUA lease receivable, July 1, 2021	\$ 37,512	\$ 9,643	\$ 47,155
Principal Pymts Rec during fye	<u>(244)</u>	<u>(1,715)</u>	<u>(1,959)</u>
RUA lease receivable, June 30, 2022	<u>\$ 37,268</u>	<u>\$ 7,928</u>	<u>\$ 45,196</u>
Less Current portion	<u>246</u>	<u>1,733</u>	<u>1,979</u>
Long Term Portion RUA Lease Receivable	\$ 37,022	\$ 6,195	\$ 43,217
Deferred Inflows, July 1, 2021	\$ 37,512	\$ 9,643	\$ 47,155
Amortized/Recognized Income during fye	<u>(389)</u>	<u>(1,718)</u>	<u>(2,107)</u>
Deferred Inflows, June 30, 2022	<u>\$ 37,123</u>	<u>\$ 7,925</u>	<u>\$ 45,048</u>

VILLAGE OF DODSON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

The principal and interest amounts for future payments receivable are as follows:

Old Fire Building Lease			Antenna Lease			Total			
Year	Principal	Interest	Payment	Principal	Interest	Payment	Principal	Interest	Payment
6/30/2023	\$ 246.00	\$ 354.00	\$ 600.00	\$ 1,733.00	\$ 67.00	\$ 1,800.00	\$ 1,979.00	\$ 421.00	\$ 2,400.00
6/30/2024	248.00	352.00	600.00	1,748.00	52.00	1,800.00	1,996.00	404.00	2,400.00
6/30/2025	251.00	349.00	600.00	1,766.00	34.00	1,800.00	2,017.00	383.00	2,400.00
6/30/2026	253.00	347.00	600.00	1,782.00	18.00	1,800.00	2,035.00	365.00	2,400.00
6/30/2027	255.00	345.00	600.00	899.00	1.00	900.00	1,154.00	346.00	1,500.00
6/30/2032	1,314.00	1,686.00	3,000.00				1,314.00	1,686.00	3,000.00
6/30/2037	1,378.00	1,622.00	3,000.00				1,378.00	1,622.00	3,000.00
6/30/2042	1,444.00	1,556.00	3,000.00				1,444.00	1,556.00	3,000.00
6/30/2047	1,514.00	1,486.00	3,000.00				1,514.00	1,486.00	3,000.00
6/30/2052	1,588.00	1,412.00	3,000.00				1,588.00	1,412.00	3,000.00
6/30/2057	1,664.00	1,336.00	3,000.00				1,664.00	1,336.00	3,000.00
6/30/2062	1,745.00	1,255.00	3,000.00				1,745.00	1,255.00	3,000.00
6/30/2067	1,829.00	1,171.00	3,000.00				1,829.00	1,171.00	3,000.00
6/30/2072	1,918.00	1,082.00	3,000.00				1,918.00	1,082.00	3,000.00
6/30/2077	2,011.00	989.00	3,000.00				2,011.00	989.00	3,000.00
6/30/2082	2,108.00	892.00	3,000.00				2,108.00	892.00	3,000.00
6/30/2087	2,210.00	790.00	3,000.00				2,210.00	790.00	3,000.00
6/30/2092	2,317.00	683.00	3,000.00				2,317.00	683.00	3,000.00
6/30/2097	2,430.00	570.00	3,000.00				2,430.00	570.00	3,000.00
6/30/2102	2,547.00	453.00	3,000.00				2,547.00	453.00	3,000.00
6/30/2107	2,670.00	330.00	3,000.00				2,670.00	330.00	3,000.00
6/30/2112	2,800.00	200.00	3,000.00				2,800.00	200.00	3,000.00
12/9/2116	2,529.00	121.00	2,650.00				2,529.00	121.00	2,650.00
	<u>\$ 37,269.00</u>	<u>\$ 19,381.00</u>	<u>\$ 56,650.00</u>	<u>\$ 7,928.00</u>	<u>\$ 172.00</u>	<u>\$ 8,100.00</u>	<u>\$ 45,197.00</u>	<u>\$ 19,553.00</u>	<u>\$ 64,750.00</u>

NOTE 17—CONTINGENCIES

As disclosed in the Independent Auditor’s Report and Note 7, the Village was informed that they are subject to pension requirements with Municipal Police Employee Retirement System (MPERS). Their attorney is researching this matter. If they were to be subject to this requirement the Village could owe back contributions to the pension system and need to file amended reports to be refunded contributions to the Social Security System. At this time legal counsel could not determine an outcome nor the amount of potential liability associated with this claim. Therefore, no entry has been made and a Qualified Opinion on the Governmental Activities has been issued.

NOTE 18—SUBSEQUENT EVENTS

Management has evaluated events through October 25, 2022, the date which the financial statements were available for issue. There were no items to be reported as subsequent events, other than the following: the LCDBG Water Improvement construction and the DEQ bond and related construction for the Wastewater Treatment/Sewer Plant Renovation Project were ongoing and related wastewater transfers for reserves were being made.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

VILLAGE OF DODSON
BUDGETARY COMPARISON SCHEDULE—GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Revenues:				
Taxes:				
Ad Valorem	\$ 9,000	\$ 12,000	\$ 12,637	\$ 637
Sales	35,000	50,000	62,163	12,163
Franchise	10,500	10,500	8,950	(1,550)
Licenses & Permits	7,000	11,600	19,108	7,508
Grant Income	-	89,146	55,568	(33,578)
Fines & Forfeitures	395,000	395,000	497,657	102,657
Charges for Services	4,000	4,325	7,304	2,979
Rent/RUA Lease Revenue	6,650	2,050	2,107	57
Miscellaneous:				
Interest & Other	<u>850</u>	<u>625</u>	<u>11,982</u>	<u>11,357</u>
 Total Revenues	 <u>468,000</u>	 <u>575,246</u>	 <u>677,476</u>	 <u>102,230</u>
 Expenditures:				
General Government	272,260	301,580	287,833	13,747
Public Safety	150,000	248,000	202,930	45,070
Public Works	1,200	2,100	6,097	(3,997)
Capital Outlay	<u>10,000</u>	<u>38,000</u>	<u>14,339</u>	<u>23,661</u>
 Total Expenditures	 <u>433,460</u>	 <u>589,680</u>	 <u>511,199</u>	 <u>78,481</u>
 Excess (Deficiency) of Revenues Over Expenditures	 34,540	 (14,434)	 166,277	 180,711
 Other Financing Sources/(Uses):				
Transfers In	<u>-</u>	<u>-</u>	<u>9,380</u>	<u>9,380</u>
 Excess (Deficiency) of Revenues & Other Financing Sources over Expenditures & Other Financing Uses	 34,540	 (14,434)	 175,657	 190,091
 Fund Balance—Beginning of Year	 <u>245,945</u>	 <u>245,945</u>	 <u>245,945</u>	 <u>-</u>
 Fund Balance—End of Year	 <u>\$ 280,485</u>	 <u>\$ 231,511</u>	 <u>\$ 421,602</u>	 <u>\$ 190,091</u>

See Independent Auditor's Report.

OTHER
SUPPLEMENTARY INFORMATION

VILLAGE OF DODSON
SCHEDULE OF COMPENSATION FOR AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2022

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

The Village of Dodson is governed by a Mayor and Board of Aldermen. Their compensation as such is noted in the Note Disclosures. The additional payments noted to each of these as required per Act 706 for the fiscal year ended June 30, 2022, are as follows.

Payee	Purpose	Amount
Richard Broomfield, Jr.	None Additional Noted	N/A
Gary Robertson	None Additional Noted	N/A
Karla Shively	None Additional Noted	N/A
Waymon Payne	None Additional Noted	N/A

See Independent Auditor's Report.

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information		
Entity Name	Village of Dodson	
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2363	
Date that reporting period ended (mm/dd/yyyy)	6/30/2022	
	First Six Month Period Ended 12/31/21	Second Six Month Period Ended 6/30/22
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	8,823	4,756
Add: Collections		
Criminal Court Costs/Fees	50,806	61,765
Criminal Fines - Other	197,249	187,837
Service/Collection Fees (e.g. credit card fees , report fees, 3rd party service fees)	1,686	10,534
Subtotal Collections	249,741	260,136
Less: Disbursements To Governments & Nonprofits:		
<i>8th JDC Office of Public Defender-Court Costs</i>	9,220	9,850
<i>CMIS-Court Costs</i>	923	989
<i>North LA Criminalistics Lab-Court Costs</i>	23,680	25,210
<i>LA Supreme Court-Court Costs</i>	450	467
<i>LA Commission on Law Enforcement-Court Costs</i>	1,826	2,215
<i>Central LA Juvenile Detention Center-Court Costs</i>	6,930	7,410
<i>DHH-TH/SCITF-Court Costs</i>	3,875	3,915
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	34	39
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount-Court Costs	6,439	9,241
Self-Disbursed-Criminal Fines-Other	197,249	187,837
Self-Disbursed-Court Costs	1,496	1,724
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies (credit card fees)	1,686	10,534
Subtotal Disbursements/Retainage	253,808	259,431
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	4,756	5,461
Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
Other Information:	as of 12/31/21	as of 6/30/22
Ending Balance of Total Amounts Assessed but not yet Collected (<i>i.e. receivable balance</i>)	185,496	178,795
Total Waivers During the Fiscal Period (<i>i.e. non-cash reduction of receivable balances, such as time served or community service</i>)	-	-

See Independent Auditor's Report.

COMPLIANCE AND OTHER MATTERS

Shanna Jones, CPA

795 Big Creek Rd
Winnfield, LA 71483
792-8544

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

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

I have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Village of Dodson, Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued my report thereon dated October 25, 2022. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S. and the *Louisiana Governmental Audit Guide*.

Report on Internal Control Over Financial Reporting

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

My consideration of internal control was for the limited purpose described in the preceding 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, I identified certain deficiencies in internal control that I consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the deficiency described in the accompanying schedule of findings as item 22-01 to be a material weakness.

(Continued)

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. I consider the deficiencies described in the accompanying schedule of findings as items 22-02, 22-03, and 22-04 to be significant deficiencies.

Report on Compliance and Other Matters

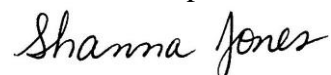
As part of obtaining reasonable assurance about whether Village of Dodson's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed 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 as 22-01, 22-02, 22-03, and 22-04.

Village of Dodson, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Dodson, Louisiana's response to the findings identified in my audit and described in the accompanying schedule of findings. The Village's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended for the information and use of the Louisiana Legislative Auditor, management of the Village of Dodson and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana R. S. 24:513 this report is a matter of public record and its distribution is not limited.



Shanna Jones, CPA
Winnfield, Louisiana
October 25, 2022

Concluded

VILLAGE OF DODSON
SCHEDULE OF AUDIT FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2022

A. SUMMARY OF AUDIT RESULTS

1. The Auditor's Report expresses a qualified opinion on the governmental activities and unmodified opinions on the business-type activities, and each major fund: governmental and proprietary of the Village of Dodson as of and for the year ended June 30, 2022.
2. There were four significant deficiencies noted during the audit of the financial statements one of which was deemed to be a material weakness.
3. The audit disclosed four instances of noncompliance required to be reported under *Government Auditing Standards*.

B. FINDINGS IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS*

Material Weaknesses

22-01 Possible Noncompliance with Louisiana RS 11:2211

Criteria—Louisiana Revised Statute 11:2211 requires governmental entities employing full time employees earning at least \$375 per month or a police chief who is paid more than \$1,000 per month to participate in the applicable state retirement fund.

Condition—The Village had police employees considered part time by them but full time by Municipal Police Employee Retirement System (MPERS) interpretation of the LA RS definition of full time, which limits hours of part time employees to 30 per week.

Effect—According to MPERS's definition of full time the Village appears to be in noncompliance with the related revised statute.

Cause—The cause of the condition is unknown.

Recommendation—I recommend that the Village consult with legal counsel and ensure the correct entity is paid for the employees' retirement.

Views of Responsible Officials—The Village of Dodson has always paid in Social Security and Medicare on all employees and considered them part time. We are in the process of obtaining legal determination of this requirement which would place a substantial financial strain on our entity.

Significant Deficiency

22-02 Noncompliance with Loan Covenants

(Continued)

VILLAGE OF DODSON
SCHEDULE OF AUDIT FINDINGS AND RESPONSES (continued)
YEAR ENDED JUNE 30, 2022

Criteria—Bond/Loan Covenants require monthly transfers to three separate bank accounts and a specific amounts to be in the accounts at each fiscal year end.

Condition—The Village originally set up two of the four separate accounts as required: Construction (for funds in and out related to the construction of the wastewater treatment), Debt Service Sinking Fund (reserved to ensure funds for principal and interest payments on the debt). Monies were originally transferred to sinking but then they did not continue. A third and fourth account was also required: Reserve (at 25% of the Debt Service Fund) and Depreciation/Contingency (5% of net revenues as available after funding other accounts up to \$100,000, which can be used for repairs necessary to operate system). The other accounts were set up once brought to management’s attention however this was during the fiscal year. Also one reserve account was noted to be underfunded.

Effect—Lack of monthly transfers to the separate accounts is noncompliance, as is underfunding a restricted account. However, it is important to note that the actual debt payments were made timely and once the Village was made aware of the issue (during fiscal year ended June 30, 2022) the required accounts were opened and monthly transfers were made. However, one account was short on the amount of required transfers by \$550. Again, when brought to the attention of management the required funds were transferred.

Cause—The cause of the condition is unknown.

Recommendation—I recommend the Village continue making the required payments and monitor closely for proper amounts transferred.

Views of Responsible Officials—The Village of Dodson was not late on any actual debt service payments. We transferred monies once we were made aware. However we miscalculated one by \$550 and have subsequently made that transfer. We will closely monitor the amounts required and transferred to ensure compliance with our loan covenants.

22-03 Noncompliance with Louisiana Banking Law

Criteria—Louisiana Banking Law requires governmental entities to have their financial institutions to pledge securities in the government’s name when FDIC insurance does not fully secure the deposits of the government.

Condition—The Village had all of its required bank accounts in one financial institution. The institution had pledged securities in the entity’s name; however, they were insufficient to cover the funds.

(Continued)

VILLAGE OF DODSON
SCHEDULE OF AUDIT FINDINGS AND RESPONSES (continued)
YEAR ENDED JUNE 30, 2022

Effect—Noncompliance with Louisiana Banking Laws, specifically having pledged securities sufficient to cover funds of a governmental entity.

Cause—The cause of the condition is unknown.

Recommendation—I recommend that the Village monitor the amount of market value of pledged securities from the financial institution and the Village’s bank balances for sufficient coverage or move a portion of the monies to another institution.

Views of Responsible Officials—The Village of Dodson had pledged securities but will work with the financial institution to ensure that the coverage is sufficient.

22-04 Noncompliance with Louisiana R.S. 42:343

Criteria—Louisiana RS 42:343 requires each public servant to complete a minimum of one hour education and training on preventing sexual harassment during each full calendar year of his public employment or term of office.

Condition—In performing SAUP procedures a board member selected did not have verification of his sexual harassment training.

Effect—Noncompliance with Louisiana RS 42:343.

Cause—The cause of the condition is unknown.

Recommendation—I recommend that the Village monitor the training of each employee, the mayor, and board members for compliance with this statute.

Views of Responsible Officials—The Village of Dodson had employees taking training but will implement procedures to ensure compliance with this statute for all employees and officials.

C. PRIOR YEAR FINDINGS

Material Weaknesses

Noncompliance with Bond/Loan Covenants

21-01 Noncompliance with Debt Service Sinking and Reserve Account Transfers

Criteria—Bond/Loan Covenants require monthly transfers to three separate bank accounts.

(Continued)

VILLAGE OF DODSON
SCHEDULE OF AUDIT FINDINGS AND RESPONSES (continued)
YEAR ENDED JUNE 30, 2022

Condition—The Village set up two of the four separate accounts as required: Construction (for funds in and out related to the construction of the wastewater treatment), Debt Service Sinking Fund (reserved to ensure funds for principal and interest payments on the debt). Monies were originally transferred to sinking but then they did not continue. A third and fourth account was also required: Reserve (at 25% of the Debt Service Fund) and Depreciation/Contingency (5% of net revenues as available after funding other accounts up to \$100,000, which can be used for repairs necessary to operate system).

Effect—Lack of monthly transfers to the separate accounts is noncompliance. However, it is important to note that the actual debt payments were made timely.

Cause—The cause of the condition is unknown.

Recommendation—I recommend that the Village transfer monies monthly as required.

Views of Responsible Officials—The Village of Dodson was not late on any actual debt service payments. We began transferring monies but then thought we were to wait until the end of the loan to transfer. Now that we are aware, we have transferred the applicable amounts required to date.

Status—Repeat finding as resolved during the current fiscal year end, no longer considered material for current fiscal year.

21-02 Noncompliance with Debt Service Coverage Ratio

Criteria—Bond/Loan Covenants require a Debt Service Coverage Ratio to be met.

Condition—Bond/Loan Covenants require a Debt Service Coverage Ratio of 125% of the largest amount of principal and interest maturing on the bonds in any future year. DEQ calculates this based on Sewer Fund only. They require taking Net Operating Income (after adding back Depreciation, and for 2021 the grant for operating expenditures) and dividing this by the highest principal and interest to be paid. This appears to be related to net revenues being pledged against the debt.

Effect—It appears this required percentage was not met as of June 30, 2021.

Cause—The cause of the condition appears to be less net revenue than required.

Recommendation—I recommend that the Village budget transfers from other funds at the beginning of the year as that is an acceptable remedy listed monies monthly as required and if there is not enough funding to do that another acceptable remedy listed is to again raise the rates.

(Continued)

VILLAGE OF DODSON
SCHEDULE OF AUDIT FINDINGS AND RESPONSES (continued)
YEAR ENDED JUNE 30, 2022

Views of Responsible Officials—The Village of Dodson did raise the rates in anticipation of this requirement. We anticipate being able to transfer funds to meet this requirement. Going forward we will budget such transfer at the beginning of the period as required.

Status—Resolved.

Concluded

Shanna Jones, CPA

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Winnfield, LA 71483
792-8544*

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

To the Mayor & Aldermen
of the Village of Dodson
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. Village of Dodson's management is responsible for those C/C areas identified in the SAUPs.

Village of Dodson has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

WRITTEN POLICIES AND PROCEDURES

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

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

In examining written procedures noted the following exceptions. No written policy noted for credit card or debt service; however, entity has no true credit cards only store credit and debt service requirements and reserves are listed in the bond closing documentation.

BOARD OR FINANCE COMMITTEE, if applicable

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
Based on minutes provided, appears board met with a quorum at least monthly.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

Noted no documentation showing periodic budget to actual comparisons other than adopting of amended budget, although client stated given quarterly.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

N/A

BANK RECONCILIATIONS

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Bank reconciliations appear to have been prepared and financial records approved at monthly meeting.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exception noted.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exception noted.

COLLECTIONS

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Management provided listing and representation.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Village stated clerk and assistant share a "drawer" to accept collections. Due to size, Village stated it is not cost effective to hire enough employees to segregate responsibilities including those related to cash depositing, recording and reconciling. To

mitigate such risk the Village has a CPA firm review monthly bank statements and related accounting.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Village has reconciliation worksheets to reconcile cash deposits to revenue source subsidiary ledgers; although worksheet and deposit prepared by clerk and assistant.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Village clerk and assistant collect cash and post collection entries to general ledger and subsidiary ledgers as well as reconciling ledger postings. To mitigate risk the Village utilizes a CPA firm and keeps supporting records.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Village has reconciliation worksheets to reconcile cash deposits to revenue source subsidiary ledgers; although prepared by clerk and assistant.

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

No exception noted.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Tickets prenumbered, water and sewer system generate bills, ad valorem taxes prepared by Assessor, receipt booklet prenumbered and utilized for other receipts.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Noted deposits did not tie to the system receipts without notes. Upon further inquiry, the employees stated the monies for utilities and fines paid online are deposited to the general fund from the same collector and must be reconciled to cash and credit card deposits in the related systems.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exception noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Checks written could have been mailed. Appears selection was weekly deposited.

- e) Trace the actual deposit per the bank statement to the general ledger.

Weekly deposits to the bank which were selected were traced from reconciling worksheets of collections and to the general ledger.

NON-PAYROLL DISBURSEMENTS

(excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained listing and representation letter.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

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

- b) At least two employees are involved in processing and approving payments to vendors.

Per policy clerk prepares checks while mayor and second signor, clerk or alderman, signs approval.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

It does not appear that the person responsible for processing payments is prohibited from adding vendors. However, supporting invoice was noted for each payment.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Mayor has clerk mail checks. Again, supporting documentation was noted for purchases.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

No documentation stating received, implied by paying invoice, but original invoice was noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Appears that mayor, one board member and the clerk have signing authority. Clerk and assistant have responsibility for recording purchases while mayor has responsibility for initiating. Noted signature evidence and invoice support. Due to size, Village stated not cost effective to hire enough employees to segregate responsibilities including those related to disbursements. To mitigate such risk the Village has a CPA firm review monthly bank statements and related accounting.

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

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

Obtained listing and representation letter stating no credit or fuel cards. However two store credits utilized and tested.

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

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

- b) Observe that finance charges and late fees were not assessed on the selected statements.

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

- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Receipt available with vendor notation of purchase. Business purpose (office, police, etc.) documented. No meal charges noted.

TRAVEL AND EXPENSE REIMBURSEMENT (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Obtained management's representation stating no travel related expense reimbursements.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

N/A.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

N/A.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

N/A.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

N/A.

CONTRACTS

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Obtained management representation and listing. Noted only construction related.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law or Louisiana Procurement Code (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions noted.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions noted.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

No exceptions noted.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

PAYROLL AND PERSONNEL

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained listing and representation.

No exception noted.

- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

No exception noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

No written documentation of approval noted other than signing of checks, noted time clock utilized.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exception noted.

- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Obtained listing and representation. Noted no termination during period.

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

Obtained management's representation. However as noted in Schedule of Findings, 22-01 Village may be subject to MPERS retirement rather than Social Security, in which those contribution payments to MPERS were not made.

ETHICS

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
No exception noted.
 - b. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
No exception noted.

DEBT SERVICE

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
Obtained management's representation.
No exception noted.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).
Obtained management's representation.
No exceptions noted, other than Finding 22-02 for monthly transfers beginning in current year and one being short \$550.

FRAUD NOTICE

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
Obtained management's representation that no misappropriations of public funds or assets noted.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.
No exception noted.

INFORMATION TECHNOLOGY DISASTER RECOVER/BUSINESS CONTINUITY

25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity’s computers currently in use, and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

I performed the procedures and discussed the results with management.

SEXUAL HARASSMENT

26. Using the 5 randomly selected employees/officials from procedure #15 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Of the five selected only one had not completed the required training. See finding 22-04 in Schedule of Findings.

27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

No exception noted.

28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

e) Amount of time it took to resolve each complaint.

No exception noted.

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

I am required to be independent of the Village of Dodson and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to the agreed-upon procedures engagement.

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



Shanna Jones, CPA
Winnfield, Louisiana
October 25, 2022

VILLAGE OF DODSON
P.O. BOX 86
DODSON, LA 71422

October 25, 2022

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

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period July 1, 2021 through June 30, 2022, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

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

Yes No
2. For the fiscal period July 1, 2021 through June 30, 2022, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.

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

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

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


Yes No
6. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between June 30, 2022, and October 25, 2022.

Yes No

7. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.
- Yes No
8. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.
- Yes No
9. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.
- Yes No
10. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.
- Yes No
11. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.
- Yes No
12. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.
- Yes No
13. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.
- Yes No
14. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.
- Yes No
15. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.
- Yes No

16. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.
Yes No
17. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.
Yes No
18. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.
Yes No
19. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.
Yes No
20. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.
Yes No
21. We are not aware of any material misstatements in the C/C areas identified in the SAUPs.
Yes No
22. We have responded fully to all inquiries made by you during the engagement.
Yes No
23. We have disclosed to you all known events that have occurred subsequent to June 30, 2022, that would have a material effect on the C/C areas identified in the SAUPs, or would require adjustment to or modification of the results of the agreed-upon procedures.
Yes No

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

Signature  Date 10/25/22
Title Mayor