

Village of Pleak, Texas
Financial Report
For the Eight Months Ended December 31, 2020

Village of Pleak, Texas
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December 31, 2020

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Village of Pleak, Texas
Elected Officials, Administration and Other Information
December 31, 2020

Current Elected Governing Body of the Village of Pleak, Texas:

		<u>Term</u>
Larry Bittner	Mayor	May 1, 2021 to April 30, 2025
Michael John	Mayor Pro Tem and Alderman	May 1, 2019 to April 30, 2023
Wade A. Goates	Alderman	May 1, 2019 to April 30, 2023
Damon Kuhn	Alderman	May 1, 2021 to April 30, 2025
Sophia Rico	Alderwoman	May 1, 2021 to April 30, 2025
Anne Stark	Alderwoman	May 1, 2019 to April 30, 2023

Administrative Officials

Erin Walley	City Secretary
Jordan Blegen	Fire Chief
Lora Lenzsch	City Attorney

General Information

Village Hall, Pleak, Texas 6621 FM 2218 South, Richmond Texas, 77469
 Phone Number (281) 239-8504

Council Meetings 3rd Wednesday of each month at 7:00 p.m.
 Meeting place: Village Hall, Pleak, Texas

2020 State of Texas Sales Tax Rate 8.00%

2020 Property Tax Rate No Property Taxes.

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and Village Alderpersons
Village of Pleak, Texas

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of the Village of Pleak, Texas (the "Village"), as of and for the eight months ended December 31, 2020, which collectively comprise the Village's basic financial statements as listed in the index to the financial statements. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of the Village as of December 31, 2020, and the respective changes in financial position and cash flows, where applicable, thereof for the eight months then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 2 through 4 and 14, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2021, on our consideration of the Village's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the Village's basic financial statements. The accompanying Other Supplementary Information listed in the index to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Village. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Stephenson, LeGrand & Pfeil, PLLC

Wharton, Texas
June 13, 2021

Village of Pleak, Texas
Management’s Discussion and Analysis
December 31, 2020

The discussion and analysis of the Village of Pleak’s (the “Village”) financial performance provides an overview of the Village’s financial activities for the eight months ended December 31, 2020. The intent of this discussion and analysis is to look at the Village’s financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the Village’s performance. The Village has 1 component unit, the Pleak Volunteer Fire Department.

Overview of the Financial Statements

This annual financial report of the Village consists of the following parts: Management’s Discussion and Analysis, Basic Financial Statements, Required Supplementary Information and Other Supplementary Information. The financial statements include notes that explain in detail some of the information included in the basic financial statements.

Government-Wide Financial Analysis

The Statements of Net Assets and the Statements of Revenues, Expenses and Changes in Net Assets provide an indication of the Village’s financial condition. The Village’s net assets reflect the difference between assets and liabilities. The Statements of Revenues, Expenses and Change in Net Assets identify the various revenue and expense items that affect the change in net assets.

A summary of the Village’s Statements of Net Assets is presented below.

	Governmental Activities	Component Activities	Memo Only Total
Current and other assets	\$ 948,239	\$ 38,085	\$ 986,324
Capital assets, net	320,779	18,880	339,659
Total assets	<u>1,269,018</u>	<u>56,965</u>	<u>1,325,983</u>
Current and other liabilities	3,865	-	3,865
Long-term debt	81,558	-	81,558
Total liabilities	<u>85,423</u>	<u>-</u>	<u>85,423</u>
Net assets			
Invested in capital assets, net of related debt	320,779	18,880	339,659
Unrestricted	862,816	38,085	900,901
Total Net Assets	<u>\$ 1,183,595</u>	<u>\$ 56,965</u>	<u>\$ 1,240,560</u>

The Village’s unrestricted net assets (e.g., cash, investments and receivables, net) were \$862,816 at December 31, 2020. The Village uses these assets to provide services to citizens.

Governmental activities increased the Village’s net assets by \$77,004. There was a net decrease of \$34,733 in net assets reported in connection with the Village’s component unit.

Village of Pleak, Texas
Management's Discussion and Analysis
December 31, 2020

A summary of the Village's Changes in Net Assets is presented below.

	<u>Governmental Activities</u>	<u>Component Activities</u>	<u>Memo Only Total</u>
Program revenues			
Charges for services	\$ 2,998	\$ 127,500	\$ 130,498
Capital grants and contributions	-	-	-
General revenues			
Sales taxes	159,088	-	159,088
Franchise fees	25,390	-	25,390
Fort Bend County ESD 6	3,207	-	3,207
Unrestricted investment earnings	7,205	7	7,212
Fundraisers and donations	-	2,300	2,300
Miscellaneous	104	-	104
Total revenues	<u>197,992</u>	<u>129,807</u>	<u>327,799</u>
Expenses			
General government	67,616	-	67,616
Fire department	16,512	164,540	181,052
Building department	36,860	-	36,860
Interest on debt	-	-	-
Total expenses	<u>120,988</u>	<u>164,540</u>	<u>285,528</u>
Change in net assets	77,004	(34,733)	42,271
Beginning net assets	1,106,591	91,698	1,198,289
Ending net assets	<u>\$ 1,183,595</u>	<u>\$ 56,965</u>	<u>\$ 1,240,560</u>

Following is a detail of revenue by source for the governmental activities and the component unit:

<u>Description</u>	<u>Governmental Activities</u>		<u>Component Unit</u>	
	<u>Revenues</u>	<u>% of Total</u>	<u>Revenues</u>	<u>% of Total</u>
Charges for services	\$ 2,998	1.51%	\$ 127,500	98.22%
Sales taxes	159,088	80.35%	-	0.00%
Franchise fees	25,390	12.82%	-	0.00%
FBC ESD	3,207	1.62%	-	0.00%
Investment earnings	7,205	3.64%	7	0.01%
Fundraisers and donations	-	0.00%	2,300	1.77%
Miscellaneous	104	0.05%	-	0.00%
Total	<u>\$ 197,992</u>		<u>\$ 129,807</u>	

Village of Pleak, Texas
Management's Discussion and Analysis
December 31, 2020

Financial Analysis of Government Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal 2020, the Village's governmental funds, consisting only of the General Fund, reported an ending fund balance of \$944,374, an increase of \$40,725 in comparison with April 30, 2020. The entire fund balance is unreserved and is available for spending, subject to regulatory, statutory and budgetary restrictions.

The fund balance of the Village's General Fund increased \$40,725 during the eight months ended December 31, 2020. Key factors in the increase include growth in revenues from sales tax revenue, revenue from Fort Bend County ESD#6, as well as reduced general costs.

Analysis of Changes in Capital Assets and Long-Term Debt

Capital Assets

As of December 31, 2020, the Village had total capital assets, net of accumulated depreciation of \$320,779. This investment in capital assets includes land, buildings, infrastructure, furniture and fixtures, and fire trucks and other fire equipment. Additional information of the Village's capital assets can be found in Note 6 of this report.

Long-Term Debt

At December 31, 2020, the Village had a note agreement with a financial institution for the purchase of a fire truck. At December 31, 2020, the Village owed \$81,558 under the note agreement.

Economic Factors and Next Year's Budget and Rates

The Village Alderpersons have adopted the Village's 2021 budget. The approval of the budget provides funding for the Village's operating and capital costs for the 2021 fiscal year. The Village expects revenues from all sources to remain consistent with prior years and expects a positive growth in net assets during 2021. The Village's component unit has also adopted its 2021 budget and the component unit expects revenues from all sources to remain consistent with prior years and expects a positive growth in net assets in 2021.

Additional Financial Information

This financial report is designed to present users with a general overview of the Village's financial operations and financial condition and to demonstrate the Village's accountability. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Village of Pleak, 6621 FM 2218 South, Richmond, Texas 77469.

BASIC FINANCIAL STATEMENTS

Village of Pleak, Texas
Statement of Net Assets
December 31, 2020

	Primary Government Governmental Activities	Component Unit Pleak Volunteer Fire Department
Assets		
Current assets		
Cash and cash equivalents	\$ 97,308	\$ 32,370
Certificate of deposit	612,039	-
Investment in TexPool - unrestricted	202,726	5,715
Accounts receivable	-	-
Due from other governments	22,444	-
Prepaid expenses	13,722	-
Total current assets	<u>948,239</u>	<u>38,085</u>
Noncurrent assets		
Capital assets		
Land	62,500	-
Buildings, infrastructure and improvements	388,235	-
Furniture, fixtures and equipment	29,508	-
Fire trucks and other fire equipment	446,989	77,401
Less accumulated depreciation	<u>(606,453)</u>	<u>(58,521)</u>
Total capital assets	320,779	18,880
Total assets	<u><u>\$ 1,269,018</u></u>	<u><u>\$ 56,965</u></u>
Liabilities and Net Assets		
Liabilities		
Current liabilities		
Accounts payable	\$ 679	\$ -
Advances from developer	3,186	-
Noncurrent liabilities		
Due within one year	26,184	-
Due in more than one year	<u>55,374</u>	<u>-</u>
Total current liabilities	85,423	-
Net assets		
Invested in capital assets, net of related debt	320,779	18,880
Unrestricted net assets	<u>862,816</u>	<u>38,085</u>
Total Net Assets	<u><u>\$ 1,183,595</u></u>	<u><u>\$ 56,965</u></u>

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

Village of Pleak, Texas
Statement of Activities
For the Eight Months Ended December 31 2020

Function/Program	Expenses	Charges for Services	Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Assets	
				Governmental Activities	Component Unit
Governmental Activities					
General government	\$ 67,616	\$ 2,998	\$ -	\$ (64,618)	\$ -
Fire department	16,512	-	-	(16,512)	-
Building department	36,860	-	-	(36,860)	-
Interest on long-term debt	-	-	-	-	-
Total governmental activities	<u>120,988</u>	<u>2,998</u>	<u>-</u>	<u>(117,990)</u>	<u>-</u>
Component Unit					
Pleak Volunteer Fire Department	<u>164,540</u>	<u>127,500</u>	<u>-</u>		<u>(37,040)</u>
Total component unit	<u>164,540</u>	<u>127,500</u>	<u>-</u>		<u>(37,040)</u>
Total	<u><u>\$ 285,528</u></u>	<u><u>\$ 130,498</u></u>	<u><u>\$ -</u></u>	<u>(117,990)</u>	<u>(37,040)</u>
General revenues:					
Sales taxes				159,088	-
Franchise fees				25,390	-
Fort Bend County ESD 6				3,207	-
Unrestricted investment earnings				7,205	7
Fundraisers and donations				-	2,300
Miscellaneous				104	-
Total general revenues				<u>194,994</u>	<u>2,307</u>
Changes in net assets				77,004	(34,733)
Net assets - beginning				<u>1,106,591</u>	<u>91,698</u>
Net assets - ending				<u><u>\$ 1,183,595</u></u>	<u><u>\$ 56,965</u></u>

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

Village of Pleak, Texas
Balance Sheet - Governmental Funds
December 31, 2020

Assets	<u>General Fund</u>
Cash and cash equivalents	\$ 97,308
Certificates of deposit	612,039
Investment in TexPool - unrestricted	202,726
Accounts receivable	-
Due from other governments	22,444
Prepaid expenses	13,722
Total assets	<u>\$ 948,239</u>
 Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 679
Advances from developer	3,186
Total liabilities	<u>3,865</u>
Fund balance	
Fund balance - unreserved	944,374
Total fund balance	<u>944,374</u>
Total liabilities and fund balance	<u>\$ 948,239</u>
 Reconciliation to the Statement of Net Assets of Governmental Activities:	
Total governmental fund balance	\$ 944,374
Add capital assets not reported in governmental funds, net of accumulated depreciation of \$606,453	320,679
Less note payable not reported in governmental funds	(81,558)
Net Assets of Governmental Activities	<u>\$ 1,183,495</u>

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

Village of Pleak, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds
For the Eight Months Ended December 31 2020

Revenues	<u>General</u>
Sales tax - State of Texas	\$ 159,088
Franchise fees	25,390
Fort Bend County ESD 6	3,207
Investment income	7,205
Rental income from Village Hall	-
Permits and other fees	2,998
Miscellaneous and other income	104
Total revenues	<u>197,992</u>
General government	67,292
Fire department	-
Building department	29,640
Capital outlay	60,335
Debt Service	
Principal retirements	-
Interest charges	-
Total expenditures	<u>157,267</u>
Revenues over (under) expenditures	40,725
Other Financial Sources (Uses)	
Proceeds from sale of assets	-
Grant income	-
Total other financial sources (uses)	<u>-</u>
Net change in fund balance	40,725
Beginning fund balance	903,649
Ending fund balance	<u><u>\$ 944,374</u></u>

Reconciliation to the Statement of Activities

Total net change in fund balance - governmental funds	\$ 40,725
Current year capital outlays not included in the Statement of Activities	60,335
Expenses on the Statement of Activities not included in the governmental funds statement	
Depreciation expense	(24,057)
Principal payment on debt	-
Change in net assets of governmental activities	<u><u>\$ 77,003</u></u>

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

1. Summary of Significant Accounting Policies

Introduction

The Village of Pleak, Texas (the “Village”) was founded in 1894 and was incorporated by Texas law in 1979. The Village elects its mayor and five alderpersons at large. The mayor presides at the council meetings. All powers of the Village are vested in the council.

The financial statements of the Village are prepared in accordance with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In June 1999, the GASB unanimously approved Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. The Village implemented the provisions of Statement No. 34 in the 2005 fiscal year.

On March 18, 2020, the Village Council approved an ordinance to change the Village’s fiscal year end to December 31 of each year from April 30. Accordingly, these financial statements cover the eight month period from May 1, 2020 to December 31, 2020.

Reporting Entity

In evaluating how to define the Village for reporting purposes, management has considered all potential component units. The decision to exclude all potential component units from the reporting entity was made by applying the criteria set forth in GAAP. The Village is not included in any other governmental “reporting entity as defined by GASB. The accompanying financial statements present the Village’s primary government and its component unit, Pleak Volunteer Fire Department, which the Village exercises significant influence and legal authority. Significant influence or accountability is based primarily on operational or financial relationships with the Village. Legal authority is derived from the ordinance creating the component unit in 1993.

Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type.

Government-wide financial statements report information about the reporting unit as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the Village as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Assets and the Statement of Activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or business-type activity. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from services or privileges provided by a given function or business-type activity. Other items not reported as program revenues are reported instead as general revenues.

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. The Village reports governmental type funds.

Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources 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 related cash flows.

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. A one-year availability period is used for revenue recognition. Expenditures are recorded when the related fund liability is incurred.

The Village reports deferred revenue on its governmental fund balance sheet. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition on the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

The Village reports the following funds:

Governmental Fund Types

Governmental funds use the current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period. Governmental fund types include the following:

General Fund – is used to account for resources used in general operations. This is a budgeted fund and any fund balances are considered resources available for current operations. All revenues and expenditures not required to be accounted for in other funds are accounted for in this fund.

Budget policy and practice

The Mayor submits an annual budget to the Village Alderpersons in accordance with the Village’s Charter and the Texas Municipal Budget Act. In November, the Alderpersons and the Mayor adopt an annual fiscal year appropriated budget for the general fund. Once approved, the Alderpersons and the Mayor may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Budgetary control

The general fund appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by departments. This constitutes the legal level of control. Expenditures may not exceed appropriations and beginning fund balances. Budget revisions at this level are subject to final review by the Alderpersons. Within these above control levels, the mayor may transfer appropriations without Alderperson approval.

Budget basis of accounting

The budget for the general fund is prepared on a basis consistent with accounting principles generally accepted in the United States of America. Any unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

Village of Pleak, Texas
Notes to Financial Statements
December 31, 2020

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. The Village did not have any outstanding encumbrances at December 31, 2020.

Component unit

The component unit of the Village is the Pleak Volunteer Fire Department (PVFD). This component unit prepared financial statements as of December 31 of each year. A copy of the component unit reports may be obtained from the Village. PVFD reports as a general government type of entity.

Cash and investments

The Village maintains one cash operating account and one savings account. Investments consist of amounts invested in TexPool reported at cost, which approximates fair value.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, drainage systems, sidewalks, and similar items), are reported in the applicable governmental columns in the government-wide statement of net assets. The Village defines capital assets as assets with initial, individual costs of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant and equipment of the Village is depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	40 years
Furniture, fixtures and equipment	5 - 10 years
Infrastructure	50 years
Fire truck and other fire equipment	5 - 10 years

Compensated absences and retirement plan

There are no compensated absences for any employee of the Village or its component unit and the Village or its component unit does not participate in any retirement plan for its employees.

2. Sales Taxes

The Village receives its allocation of sales tax receipts for its incorporated boundaries monthly from the State of Texas. During the eight months ended December 31, 2020, the Village earned \$159,088 from sales tax collections.

Village of Pleak, Texas
Notes to Financial Statements
December 31, 2020

3. Deposits and Investments

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

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

The Village and component unit are classified as Category 1, with deposits and investments secured by the Federal Deposit Insurance Corporation insurance at December 31, 2020.

4. Franchise Taxes

The Village has entered into agreements with certain utilities companies to pay a franchise fee in-lieu of a sales tax. Revenues earned under these agreements for the eight months ended December 31, 2020 were 25,390.

5. Fort Bend County, Texas Assistance Revenues

The Village component unit, PVFD, has entered into an agreement with Fort Bend County ESD#6 to provide fire-fighting services to rural areas for a fee. For the eight months ended December 31, 2020, PVFD earned \$127,500 from Fort Bend County ESD#6.

6. Property and Equipment

The following is a summary of the governmental activities capital assets at December 31, 2020

	Balance			Balance
	<u>April 30, 2020</u>	<u>Additions</u>	<u>Dispositions</u>	<u>April 30, 2020</u>
Land	\$ 62,500	\$ -	\$ -	\$ 62,500
Buildings and improvements	327,900	60,335	-	388,235
Furniture, fixtures & equipment	29,508	-	-	29,508
Fire trucks and other fire equipment	<u>446,989</u>	<u>-</u>	<u>-</u>	<u>446,989</u>
Total capital assets	810,504	-	-	927,232
Accumulated depreciation	<u>(582,397)</u>	<u>(24,056)</u>	<u>-</u>	<u>(606,453)</u>
Total capital assets, net	<u>\$ 284,500</u>	<u>36,279</u>	<u>\$ -</u>	<u>\$ 320,779</u>

Depreciation expense for the eight months ended December 31, 2020 was \$24,056 of which \$16,512 was charged to fire department programs, \$7,220 was charged to building department programs and \$324 was charged to general government programs.

Village of Pleak, Texas
Notes to Financial Statements
December 31, 2020

7. Long-Term Debt

At December 31, 2020, the Village had a note agreement with a financial institution for the purchase of a fire truck acquired during fiscal 2014. The note requires an annual principal and interest payment of \$29,267 in February of each year. At December 31, 2020, the Village owed \$81,558 under the note agreement.

8. Contingencies

Litigation

The Village or its component unit is not a party to any litigation as of December 31, 2020 that the Village believes will have a material adverse effect on the financial condition of the Village.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Pleak, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual - General Fund
For the Eight Months Ended December 31 2020

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales tax - State of Texas	\$ 98,000	\$ 159,088	\$ 61,088
Franchise fees	29,500	25,390	(4,110)
Fort Bend County ESD 6	4,500	3,207	(1,293)
Investment income	10,000	7,205	(2,795)
Rental income from Village Hall	9,000	-	(9,000)
Permits and other fees	5,200	2,998	(2,202)
Miscellaneous and other income	-	104	104
	<hr/>	<hr/>	<hr/>
Total revenues	156,200	197,992	41,792
Expenditures			
Current			
General government	81,850	67,292	14,558
Building department	37,800	29,640	8,160
Capital outlay	10,000	60,335	(50,335)
Debt service	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	129,650	157,267	(27,617)
Revenues over (under) expenditures	26,550	40,725	14,175
Other Financial Sources (Uses)			
Grant income	-	-	-
Total other financial sources (uses)	<hr/>	<hr/>	<hr/>
Revenues and other sources over (under) expenditures and other uses	<u>\$ 26,550</u>	40,725	<u>\$ 14,175</u>
Beginning fund balance		<hr/>	
Ending fund balance		<u>\$ 944,374</u>	

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

OTHER SUPPLEMENTARY INFORMATION

Village of Pleak, Texas
General Fund
Schedule of Revenues - Budget (GAAP Basis) and Actual
For the Eight Months Ended December 31 2020

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Sales tax - State of Texas	\$ 98,000	\$ 159,088	\$ 61,088
Franchise fees			
Telephone companies	2,500	1,216	(1,284)
CenterPoint Energy	27,000	24,174	(2,826)
Total franchise fees	<u>29,500</u>	<u>25,390</u>	<u>(4,110)</u>
Fort Bend County ESD 6	4,500	3,207	(1,293)
Investment income			
Interest from TexPool investments and CDs	10,000	7,205	(2,795)
Total investment income	<u>10,000</u>	<u>7,205</u>	<u>(2,795)</u>
Rental income from Village Hall	9,000	-	(9,000)
Permits and other fees	5,200	2,998	(2,202)
Miscellaneous and other income	<u>-</u>	<u>104</u>	<u>104</u>
Total revenues	<u><u>\$ 156,200</u></u>	<u><u>\$ 197,992</u></u>	<u><u>\$ 41,792</u></u>

Village of Pleak, Texas
General Fund
Schedule of Expenditures - Budget (GAAP Basis) and Actual
For the Eight Months Ended December 31 2020

	Budget	Actual	Variance Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>
General government			
Personal services	\$ 13,000	\$ 11,909	\$ 1,091
Professional fees	41,500	50,499	(8,999)
Election costs	-	-	-
Telephone	1,700	1,850	(150)
Stray animal control	400	77	323
Office supplies	1,100	699	401
County maintenance fees	20,000	36	19,964
Website	450	700	(250)
Other	3,700	1,522	2,178
Total general government	<u>81,850</u>	<u>67,292</u>	<u>14,558</u>
Fire department			
Financial assistance program	-	-	-
Total fire department	<u>-</u>	<u>-</u>	<u>-</u>
Building department			
Repairs and maintenance	11,000	13,753	(2,753)
Insurance	20,100	11,022	9,078
Supplies	1,200	408	792
Janitorial services	1,500	1,368	132
Utilities	4,000	3,089	911
Total building department	<u>37,800</u>	<u>29,640</u>	<u>8,160</u>
Capital Outlay	10,000	60,335	(50,335)
Debt Service	-	-	-
Total expenditures	<u>\$ 129,650</u>	<u>\$ 157,267</u>	<u>\$ (27,617)</u>

OTHER REQUIRED REPORTS



**Independent Auditor’s Report on Compliance and on Internal Control over
Financial Reporting Based on an Audit of Financial Statements Performed
In Accordance with Government Auditing Standards**

Honorable Mayor and Village Alderpersons
Village of Pleak, Texas

We have audited the financial statements of the Village of Pleak, Texas (the “Village”) as of and for the eight months ended December 31, 2020 and have issued our report thereon dated June 13, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of Pleak, Texas’ general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Village of Pleak, Texas’ internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We also noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Village Alderpersons, management, others within the Village and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Stephenson, LeGrand & Pfeil, PLLC

Wharton, Texas
June 13, 2021