

VILLAGE OF DRY PRONG, LOUISIANA

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021**



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October 14, 2021

Independent Auditors' Report

To the Mayor and Board of Aldermen
Village of Dry Prong, Louisiana

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Dry Prong, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village Dry Prong, as of June 30, 2021, 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.



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Village of Dry Prong
October 14, 2021

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information described in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Dry Prong's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer, the Schedule of Per Diem Paid to Board Members, and the Justice System Funding Schedule, described as additional information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2021 on our consideration of the Village of Dry Prong's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Dry Prong's internal control over financial reporting and compliance.



Rozier, McKay & Willis
Certified Public Accountants

VILLAGE OF DRY PRONG

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

This section of Village of Dry Prong's annual financial report presents our discussion and analysis of the Village's financial performance during the fiscal year ended June 30, 2021.

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's financial position and results of operations from differing perspectives which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Village's assets (including infrastructure acquired after July 1, 2001) and all of the Village's liabilities (including long-term debt).

The government-wide financial statements are divided into two categories, which are described as follows:

- **Governmental Activities** – Expenses incurred in connection with providing basic services including police protection, fire protection, culture, recreation, public works and general administration are reported as governmental activities. The governmental activities are financed by taxes, license fees, fines, court cost, interest, grants and contributions.
- **Business-Type Activities** – Expenses associated with providing water and sewer services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with water and sewer services are reported as business type activities.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Village's most significant activities and are not intended to provide information for the Village as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Village has two types of funds that are described as follows:

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Village's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.
- **Proprietary Fund** – These funds are used to account for activities that function in a manner similar to commercial enterprises, including activities associated with the Village's water and sewer services. Proprietary fund financial statements typically provide a more

VILLAGE OF DRY PRONG

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

detailed presentation of the information reported in the business-type activities portion of the government-wide financial statements.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

A comparative analysis of government-wide data is presented as follows:

Net Position

A condensed version of the government-wide Statement of Net Position is presented as follows:

	June 30, 2021			June 30, 2020
	Govern- mental Activities	Business- Type Activities	Total	
<u>Assets:</u>				
Current and Other Assets	\$ 256,267	\$ 60,150	\$ 316,417	\$ 206,231
Internal Balances	243,701	(243,701)	----	----
Capital Assets	352,168	2,709,864	3,062,032	3,246,022
Total Assets	<u>852,136</u>	<u>2,526,313</u>	<u>3,378,449</u>	<u>3,452,253</u>
<u>Liabilities:</u>				
Current and Other Liabilities	31,803	50,669	82,472	66,135
Long-term Liabilities	----	107,321	107,321	105,157
Total Liabilities	<u>31,803</u>	<u>157,990</u>	<u>189,793</u>	<u>171,292</u>
<u>Net Position:</u>				
Invested in Capital Assets (Net)	352,168	2,589,608	2,941,776	3,125,765
Restricted	190,210	----	190,210	148,814
Unrestricted	277,955	(221,285)	56,670	6,382
Total Net Position	<u>\$ 820,333</u>	<u>\$ 2,368,323</u>	<u>\$ 3,188,656</u>	<u>\$ 3,280,961</u>

As the presentation appearing above demonstrates, the largest portion of the Village's net position (92.3%) is invested in capital assets. Net Position invested in capital assets consist of land, buildings, and equipment less any debts used to acquire assets that remain outstanding. In addition, net position invested in capital assets also include any infrastructure acquired after July 1, 2001. The Village uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

An additional portion of the net position (6.0%) is subject to restrictions that are imposed by revenue sources.

The remaining net position (1.7%), is unrestricted and can be used at the discretion of the governing body.

VILLAGE OF DRY PRONG

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

Changes in Net Position

A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:

	For the Year Ended June 30, 2021			For the
	Governmental Activities	Business-Type Activities	Total	Year Ended June 30, 2020
<u>Revenues:</u>				
Program Revenue:				
Charges for Services	\$ 43,185	\$ 206,828	\$ 250,013	\$ 216,820
Operating Grants and Contributions	---	---	---	---
Capital Grants and Contributions	---	---	---	---
General Revenue:				
Property Taxes	14,368	---	14,368	14,631
Franchise Taxes	13,567	---	13,567	16,822
Sales Taxes	82,725	---	82,725	62,658
Occupational Licenses	42,810	---	42,810	38,939
Miscellaneous	6,279	---	6,279	10,717
Total Revenue	<u>202,934</u>	<u>206,828</u>	<u>409,762</u>	<u>360,587</u>
<u>Program Expenses:</u>				
General Government	137,503	---	137,503	136,463
Streets	34,421	---	34,421	34,421
Public Safety				
Police Department	32,867	---	32,867	32,833
Interest on Long Term Debt	1,176	---	1,176	968
Utilities	---	296,100	296,100	302,622
Total Expenses	<u>205,967</u>	<u>296,100</u>	<u>502,067</u>	<u>507,307</u>
Change in Net Position	(3,033)	(89,272)	(92,305)	(146,720)
Net Position Beginning	<u>823,366</u>	<u>2,457,595</u>	<u>3,280,961</u>	<u>3,427,681</u>
Net Position Ending	<u>\$ 820,333</u>	<u>\$ 2,368,323</u>	<u>\$ 3,188,656</u>	<u>\$ 3,280,961</u>

Governmental activities decreased the Village's net position by \$3,033. The decrease is attributable using reserves to supplement services.

Business-type activities decreased the Village's net position by \$92,305. The decrease is attributable depreciation of assets acquired with grant funds in previous years. Changes in net position excluding capital grants, contributions and depreciation for the utility system are presented as follows:

VILLAGE OF DRY PRONG

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

	<u>Current</u>	<u>Prior</u>
Change in Net Position	\$ (92,305)	\$ (146,720)
Capital Grants and Contributions	----	----
Depreciation	<u>183,989</u>	<u>185,582</u>
Change in Net Position Excluding Capital Grants, Contributions and Depreciation	<u>\$ 91,684</u>	<u>\$ 38,862</u>

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

For the year ended June 30, 2021, activity in governmental funds included the general fund, sales tax fund, and debt service. The only differences between amounts reported by the governmental funds and governmental activities reported in the government-wide financial statements are attributable to including fixed assets and debt in the government-wide presentation.

Amounts reported for business-type activities in the Village's individual funds are identical to the business-type activities reported in the government-wide presentation.

BUDGET HIGHLIGHTS

The general fund and special revenue fund are the only funds required by law to adopt a budget. Actual expenditures were consistent with appropriations and no budget revisions were necessary.

CAPITAL ASSET ADMINISTRATION

For the year ended June 30, 2021, activity was limited to depreciating existing capital assets.

DEBT ADMINISTRATION

Activity was limited to making scheduled payments on existing outstanding debt.

FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

At the present time, management is not aware of any matters that are expected to have substantial consequences for future operations.

VILLAGE OF DRY PRONG

STATEMENT OF NET POSITION

JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 241,416	\$ 40,550	\$ 281,966
Receivables (net)	14,851	19,600	34,451
Internal balances	243,701	(243,701)	-
Land	51,883	41,369	93,252
Depreciable capital assets, net	300,285	2,668,495	2,968,780
Total assets	852,136	2,526,313	3,378,449
<u>LIABILITIES</u>			
Accounts payable	8,029	-	8,029
Delayed revenue	23,774	-	23,774
Accrued interest payable	-	1,484	1,484
Meter deposits	-	36,250	36,250
Liabilities payable from restricted assets			
Long-term debt			
Due within one year	-	12,935	12,935
Due in more than one year	-	107,321	107,321
Total liabilities	31,803	157,990	189,793
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	352,168	2,589,608	2,941,776
Restricted for:			
Street improvements	190,210	-	190,210
Unrestricted	277,955	(221,285)	56,670
Total net position (deficit)	\$ 820,333	\$ 2,368,323	\$ 3,188,656

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

VILLAGE OF DRY PRONG

STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business- Type Activities	Total
<u>Governmental Activities:</u>							
General Government	\$ 137,503	\$ -	\$ -	\$ -	\$ (137,503)	\$ -	\$ (137,503)
Streets	34,421	-	-	-	(34,421)	-	(34,421)
Public Safety							
Law Enforcement	32,867	43,185	-	-	10,318	-	10,318
Interest on Long Term Debt	1,176	-	-	-	(1,176)	-	(1,176)
Total Governmental Activities	<u>205,967</u>	<u>43,185</u>	<u>-</u>	<u>-</u>	<u>(162,782)</u>	<u>-</u>	<u>(162,782)</u>
<u>Business-Type Activities:</u>							
Utility Service	296,100	206,828	-	-	-	(89,272)	(89,272)
Total Business-Type Activities	<u>296,100</u>	<u>206,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(89,272)</u>	<u>(89,272)</u>
Total Primary Government	<u>\$ 502,067</u>	<u>\$ 250,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(162,782)</u>	<u>(89,272)</u>	<u>(252,054)</u>
<u>General Revenues:</u>							
Taxes:							
Ad Valorem					14,368	-	14,368
Franchise					13,567	-	13,567
Sales					82,725	-	82,725
Occupational Licenses					42,810	-	42,810
Miscellaneous					6,279	-	6,279
Total General Revenues					<u>159,749</u>	<u>-</u>	<u>159,749</u>
Change in Net Position					(3,033)	(89,272)	(92,305)
Net Position Beginning					823,366	2,457,595	3,280,961
Net Position Ending					<u>\$ 820,333</u>	<u>\$ 2,368,323</u>	<u>\$ 3,188,656</u>

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

VILLAGE OF DRY PRONG

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2021

	General	Sales Tax	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 51,206	\$ 190,210	\$ -	\$ -	\$ 241,416
Accounts receivable	14,851	-	-	-	14,851
Due from other funds	243,701	-	-	-	243,701
Total assets	\$ 309,758	\$ 190,210	\$ -	\$ -	\$ 499,968
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ 8,029	\$ -	\$ -	\$ -	\$ 8,029
Delayed revenues	23,774	-	-	-	23,774
Total liabilities	31,803	-	-	-	31,803
Fund Balance					
Nonspendable:					
Long Term advances to other funds	183,403	-	-	-	183,403
Restricted For:					
Street improvements	-	190,210	-	-	190,210
Unassigned	94,552	-	-	-	94,552
Total Fund Balances	277,955	190,210	-	-	468,165
Total Liabilities and Fund Balance	\$ 309,758	\$ 190,210	\$ -	\$ -	\$ 499,968

Reconciliation of the Governmental Funds Balance Sheets to the Statement of Net Position

Total Fund Balances - Governmental Funds	\$ 468,165
Amounts reported for governmental activities in the statement of net position are different because:	
Long term debt incurred to finance governmental activities does require the use of financial resources; therefore, the debt is excluded from the funds financial statements.	-
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	352,168
Net Position of Governmental Activities	<u>\$ 820,333</u>

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

VILLAGE OF DRY PRONG

Statement of Revenue, Expenditures and Changes in Fund Balance Governmental Funds Year Ended June 30, 2021

	General	Sales Tax	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Ad valorem	\$ 14,368	\$ -	\$ -	\$ -	\$ 14,368
Franchise	13,567	-	-	-	13,567
Sales tax	41,344	41,381	-	-	82,725
Occupational licenses	42,810	-	-	-	42,810
Intergovernmental	-	-	-	-	-
Fines and court cost	43,185	-	-	-	43,185
Miscellaneous	6,264	-	15	-	6,279
Total revenues	161,538	41,381	15	-	202,934
Expenditures:					
Current					
General government	134,097	-	-	-	134,097
Public safety - law enforcement	32,867	-	-	-	32,867
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	166,964	-	-	-	166,964
Excess (deficiency) of revenues over expenditures	(5,426)	41,381	15	-	35,970
Other sources (uses)					
Operating transfers in (out)	-	63,089	(63,089)	-	-
Net Change in fund balances	(5,426)	104,470	(63,074)	-	35,970
Fund balance - beginning of year	283,381	85,740	63,074	-	432,195
Fund balance - end of year	\$ 277,955	\$ 190,210	\$ -	\$ -	\$ 468,165

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Net change in fund balances of Governmental Funds	\$	35,970
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report repayment of long term debt as expenditures. In the government wide presentation, these transactions are reported a reduction in debt		-
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. The effect of capital expenditures and depreciation is presented as follows:		
Capital Expenditures		-
Depreciation	(39,003)	(39,003)
Change in net position of governmental activities	\$	(3,033)

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

VILLAGE OF DRY PRONG

Statement of Net Position

Proprietary Funds

June 30, 2021

	Business-Type Activities Utility Enterprise Fund
<u>ASSETS:</u>	
Current Assets:	
Cash and cash equivalents	\$ 40,550
Receivables (net)	19,600
Other assets	-
Total current assets	<u>60,150</u>
Noncurrent Assets:	
Capital Assets:	
Land	41,369
Depreciable capital assets, net	<u>2,668,495</u>
Total noncurrent assets	<u>2,709,864</u>
Total assets	<u>2,770,014</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Other Current Liabilities	1,484
Due to other funds	243,701
Meter deposits	36,250
Current portion of certificate of indebtedness	<u>12,935</u>
Total current liabilities	294,370
Noncurrent Liabilities:	
Certificate of indebtedness	<u>107,321</u>
Total liabilities	<u>401,691</u>
<u>NET POSITION</u>	
Invested in capital assets, net of related debt	2,589,608
Unrestricted	<u>(221,285)</u>
Total net position (deficit)	<u>\$ 2,368,323</u>

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

VILLAGE OF DRY PRONG

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds Year Ended June 30, 2021

	Business-Type Activities Utility Enterprise Fund
<u>Operating revenues:</u>	
Charges for services	\$ 187,035
Other income	19,793
Total Operating Revenues	<u>206,828</u>
<u>Operating expenses:</u>	
Salaries and payroll taxes	41,718
Chemicals and supplies	28,136
Depreciation	144,987
Repairs and maintenance	43,012
Legal and professional	6,616
Utilities	19,288
Insurance	5,927
Miscellaneous	1,129
Total operating expenses	<u>290,813</u>
Operating income (loss)	<u>(83,985)</u>
<u>Non-operating revenues (expenses):</u>	
Interest expense	(5,287)
Total Non-operating	<u>(5,287)</u>
Income (loss) before capital contributions and transfers	(89,272)
Capital Contributions	<u>-</u>
Change in net position	(89,272)
Total net position - beginning	<u>2,457,595</u>
Total net position - ending	<u>\$ 2,368,323</u>

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

VILLAGE OF DRY PRONG

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2021

	<u>Business-Type Activities</u>	
	Utility Enterprise Fund	
<u>Cash flow from operating activities:</u>		
Cash received from customers	\$	208,782
Cash payments to suppliers of goods and services		(104,167)
Cash payments to employees for services		(41,718)
Net cash provided (used) by operating activities		<u>62,897</u>
<u>Cash flows from non-capital financing activities:</u>		
Increase (Decrease) cash advances due to other funds		(17,626)
Net cash provided (used) by non-capital financing activities		<u>(17,626)</u>
<u>Cash flows from capital and related financing activities:</u>		
Payments for acquisition of capital assets		-
Principle paid on debt	-	
Interest paid on debt instruments		(5,287)
Net cash provided (used) by capital and related financing activities		<u>(5,287)</u>
<u>Cash flows from investing activities:</u>		
Interest and other income		-
Net cash provided (used) by investing activities		<u>-</u>
Net increase (decrease) in cash		39,984
Beginning cash balance		566
Ending cash balance		40,550
Restricted cash		-
Unrestricted cash	\$	<u>40,550</u>
<u>Reconciliation of operating income (loss) to net cash</u>		
Operating income (loss)	\$	(83,985)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		144,987
(Increase) decrease in accounts receivable		2,225
(Increase) decrease in payables		(59)
(Decrease) increase in meter deposits		(271)
Net cash provided (used) by operating activities	\$	<u>62,897</u>

Supplemental disclosures of cash flow information:

For the year ended June 30, 2021, there were no operating, financing, or investing activities that did not result in cash receipts or payments.

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Dry Prong (the Village) was incorporated under the provisions of the Lawrason Act. The Village is governed by a Mayor and a Board of Alderman consisting of three (3) members. Services provided by the Village include police and fire protection, and street maintenance. The Village also operates a water distribution system and a sewer system.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

As the municipal governing authority, for reporting purposes, the Village is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Village), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards established criteria for determining which component units should be considered part of the Village of Dry Prong for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Criteria to be considered in determining financial accountability include:

1. Appointing a voting majority of an organization's governing body, and
 - a) The ability of the Village to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon application of these criteria, there were no potential component units and all of the Village's activities were included in the primary government reporting entity.

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises.

The government-wide and fund financial statements present the Village's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service or business-type activity. Program revenues include charges for services, fines, court cost, contributions associated with a particular function and most grants.

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and proprietary funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The Village's major funds are described as follows:

- Governmental Funds – The Village's active major governmental funds include the general fund, sales tax fund and the debt service fund. The general fund is the primary operating fund and is used to account for all governmental activities except those required to be reported in another fund. The sales tax fund is a special revenue fund used to account for sales tax revenue designated for street improvements within the Village. The debt service fund is used accumulate resources for the repayment of sales tax revenue bonds issued to finance street construction.
- Proprietary Funds – Are used to account for business type activities. The operations of the Village's Utility System utilize a single proprietary fund. Revenue earned in exchange for providing services is reported as operating income and revenue from other sources is reported as non-operating.

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, compensated absences, claims and judgments are recorded as expenses when payment is made. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as expenditures. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as other financing sources and repayment of long-term debt is reported as an expenditure of funds.

Non-Exchange Transactions

Revenue from certain non-exchange transactions cannot be properly measured prior to collection. Furthermore, it is not practical to determine the probability of collection resulting from certain non-exchange transactions such as traffic citations. Consequently, revenue from franchise taxes, fines and court cost is not recognized until it is collected.

Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted Assets

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements, tax propositions, and bond covenants.

Budget Practices

The Mayor prepares annual budgets for the Village's general fund and special revenue fund. These budgets are submitted to the Board of Aldermen and the approved budgets are adopted before the beginning of

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

each fiscal year. Amended budgets are prepared prior to the conclusion of each fiscal year. The amended budgets are prepared and approved in the same manner as the original budget.

The general fund and special revenue fund budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles. The Village's remaining funds are not required to adopt budgets.

Capital Assets

Capital assets are carried at historical cost or estimated historical cost including interest incurred during construction. Prior to July 1, 1989, there were few records supporting the cost; therefore, costs related to the Village's utility system were estimated based on information furnished by the Village's consulting engineers. Cost of buildings and equipment acquired prior to July 1, 1989 were estimated based on replacement cost.

Infrastructure capital assets consisting of streets, bridges, sidewalks and drainage systems acquired before July 1, 2001 are excluded from capital assets. Depreciation associated with capital assets is computed using the straight-line method over the estimated useful lives of the assets.

Cash and Cash Equivalents:

Amounts reported as cash and cash equivalents include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

Delayed Revenue:

Amounts collected from grant programs are reported as delayed revenue until the Village has complied with the terms and conditions of the grant program. The amount reported as delayed revenue represents the unexpended portion of grant receipts that are required to be used for specific purposes.

Internal Balances:

All funds paid to vendors are typically disbursed from the General Fund. Amounts paid by the General Fund on behalf of other funds and any reimbursements received by the General Fund are reported as internal receivables and payables. In the government-wide Statement of Net Position internal balances are eliminated except for the presentation of net residual amounts due between governmental and business-type activities.

Fund Balance Classification:

Approval of the majority of the Board of Aldermen is required to approve the commitment of fund balances. In situations where it is permissible to spend restricted or committed resources, the Village typically depletes the available restricted or committed resources before consuming unrestricted resources.

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

Statement of Cash Flows:

For the purpose of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in banks and certificates of deposit.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2021, the Village has \$281,966 in deposits (\$288,786 collected bank balance). These deposits are protected by federal deposit insurance of up to \$288,786.

NOTE 3 - RECEIVABLES

Receivables at June 30, 2021, are summarized as follows:

	<u>Governmental Activities</u>	<u>Business- Type</u>	<u>Total</u>
Sales Tax	\$ 14,528	\$ ----	\$ 14,528
Utility Accounts	----	27,600	27,600
Miscellaneous	323	----	323
Reserve for Doubtful Accounts	----	(8,000)	(8,000)
<u>Total</u>	<u>\$ 14,851</u>	<u>\$ 19,600</u>	<u>\$ 34,451</u>

NOTE 4 - LONG-TERM DEBT

Details related to each component of long term debt are presented as follows:

Certificates of Indebtedness

Revenue bonds by fund type are presented as follows:

	<u>Business-Type Activities</u>
Certificates payable, June 30, 2020	\$ 120,256
New issues	----
Retirements	----
<u>Certificates payable, June 30, 2021</u>	<u>120,256</u>
Due within one year	12,935
<u>Due in more than one year</u>	<u>\$ 107,321</u>

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

Components of the Village's long-term debt are described as follows:

\$162,000 Limited Tax Certificate of Indebtedness directly borrowed from lender September 20, 2016 due in annual installments including interest at a rate of 4.25%, with the final installment due September 1, 2028 \$ 120,256

A schedule of maturities of long-term debt follows for the years ended June 30:

Year Ended June 30 th	Business-Type Activities	
	Principal	Interest
2022	\$ 12,935	\$ 4,836
2023	13,485	4,275
2024	14,058	3,689
2025	14,656	3,079
2026	15,279	2,443
2027- 2029	49,843	3,236
Total	\$ 120,256	\$ 21,558

NOTE 5 – TAXES:

Ad Valorem Taxes

The Village bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Grant Parish. For the year ended June 30, 2021, the Village levied 6.42 mills for general corporate purposes.

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed.

Sales and Use Taxes

On December 5, 2020, voters of the Village approved a one percent sales and use tax effective January 1, 2021 and expiring December 31, 2029. The proceeds of the sales tax are available for any lawful corporate purpose. Sales and use taxes are collected on behalf of the Village by the Grant Parish Sheriff's Office. Revenues from sales taxes are reported on the accrual basis.

NOTE 6 – CAPITAL ASSETS

A summary of the property and equipment reported by the Village at June 30, 2021 consists of the following:

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Land	\$ 51,883	\$ ----	\$ ----	\$ 51,883
<u>Capital Assets Being Depreciated:</u>				
Street Improvements	588,487	----	----	588,487
Buildings and Improvements	218,602	----	----	218,602
Machinery and Equipment	168,742	----	----	168,742
Total	975,831	----	----	975,831
Less Accumulated Depreciation	636,543	39,003	----	675,546
Total Net of Depreciation	\$ 339,288	\$ 39,003	\$ ----	\$ 300,285
<u>Business-Type Activities</u>				
Land	\$ 41,369	\$ ----	\$ ----	\$ 41,369
<u>Capital Assets Being Depreciated:</u>				
Water Distribution System	\$ 2,931,869	\$ ----	\$ ----	\$ 2,931,869
Wastewater System	2,510,967	----	----	2,510,967
Equipment	290,982	----	----	290,982
Total	5,733,818	----	----	5,733,818
Less Accumulated Depreciation	2,920,336	144,987	----	3,065,323
Total Net of Depreciation	\$ 2,813,482	\$ (144,987)	\$ ----	\$ 2,668,495

Depreciation expense reported by various functions is presented as follows:

<u>Governmental Activities:</u>	
General Government	\$ 4,582
Streets	34,421
Police	----
Total Depreciation – Governmental Activities	\$ 39,003
<u>Business-Type Activities:</u>	
Utility Services	\$ 144,987

NOTE 7- RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

The Village insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 8 – RESTRICTIONS AND COMMITMENTS

Details regarding limitations imposed on the use of various resources are summarized as follows:

Long Term Advances

A portion of the General Funds assets have been advanced to the utility funds and repayment is not anticipated in the near future. Since these resources are not available to finance current expenditures, a portion of the general fund balance is reported as non-spendable.

Street Improvements

The Village's voters approved a one per cent sales tax for a period of ten years beginning January 1, 2010. Proceeds from the sales tax may be used only for completing street improvements. Accordingly, sales taxes are reported in a special revenue fund in order to comply with restrictions imposed by the voters and the sales tax fund balance is reported as restricted for street improvements.

NOTE 9 – INTERFUND BALANCES

Interfund receivables and payables are described as follows:

	Governmental Activities Receivables (Payables)	Business-Type Activities Receivables (Payables)
As discussed in Note 1, interfund balances arise when the general fund disburses funds on behalf of the water and sewer funds. Reimbursements are submitted periodically but no significant reimbursements are expected within the next year.		
General Fund	\$ 243,701	\$ ----
Utility Fund	----	243,701
Government-Wide Totals	<u>\$ 243,701</u>	<u>\$ 243,701</u>

Interfund transfers have been completed to provide resources from the sales tax fund to the debt service fund established to repay debt issued to finance street improvements.

NOTE 10 - URAF CONTINGENCY

In order to accommodate highway improvements, the Village has been required to relocate underground utility infrastructure that was located in the State's highway right of way. Funding for the relocation was provided by the State's Utility Relocation Assistance Fund (URAF). Under the terms of the URAF arrangement, the Village is not obligated to repay the URAF funds but if voluntary

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

payments are not made, the Village may be denied access to the State's right of way when conducting future construction projects.

VILLAGE OF DRY PRONG

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Ad valorem	\$ 14,000	\$ 14,000	\$ 14,368	\$ 368
Franchise	18,000	18,000	13,567	(4,433)
Sales Tax	-	-	41,344	41,344
Occupational licenses	32,000	32,000	42,810	10,810
Fines and Court Cost	32,000	32,000	43,185	11,185
Miscellaneous	6,500	6,500	6,264	(236)
Total revenues	102,500	102,500	161,538	59,038
General Government:				
Salary - mayor and aldermen	7,500	7,500	7,625	(125)
Salaries - other	27,741	27,741	24,478	3,263
Animal control	5,400	5,400	5,850	(450)
Community center	3,000	3,000	1,149	1,851
Contract Labor	1,000	1,000	432	568
Dues and publications	1,300	1,300	3,752	(2,452)
Equipment purchases	2,000	2,000	3,764	(1,764)
Insurance	16,000	16,000	10,431	5,569
Legal and professional	26,000	26,000	27,426	(1,426)
Library	3,000	3,000	2,064	936
Office supplies	4,000	4,000	4,127	(127)
Payroll taxes and benefits	4,296	4,296	4,884	(588)
Printing and advertising	1,500	1,500	177	1,323
Repairs and maintenance	3,000	3,000	4,589	(1,589)
Streets and parks	18,000	18,000	16,658	1,342
Traffic ticket assessments	2,000	2,000	2,157	(157)
Utilities and telephone	11,000	11,000	13,401	(2,401)
Miscellaneous	3,000	3,000	1,133	1,867
Total general government	139,737	139,737	134,097	5,640

Continued...

VILLAGE OF DRY PRONG

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Public Safety:				
Police department				
Salaries and payroll taxes	29,065	29,065	29,065	-
Fuel	1,700	1,700	1,661	39
Parts and supplies	2,000	2,000	2,052	(52)
Miscellaneous	-	-	89	(89)
Total police department	32,765	32,765	32,867	(102)
Debt Service	-	-	-	-
Total expenditures	172,502	172,502	166,964	5,538
Excess (deficiency) of revenues over expenditures	(70,002)	(70,002)	(5,426)	64,576
Other sources (uses)				
Operating transfers in (out)	70,002	70,002	-	(70,002)
Net Change in Fund Balances	-	-	(5,426)	(5,426)
Fund balance - beginning of year	283,381	283,381	283,381	-
Fund balance - end of year	\$ 283,381	\$ 283,381	\$ 277,955	\$ (5,426)

VILLAGE OF DRY PRONG

Sales Tax Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues:</u>				
Sales tax	\$ 60,000	\$ 60,000	\$ 41,381	\$ (18,619)
Total revenues	60,000	60,000	41,381	(18,619)
<u>Expenditures:</u>				
Capital expenditures	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	60,000	60,000	41,381	(18,619)
<u>Other sources (uses)</u>				
Operating transfers in (out)	-	-	63,089	63,089
Net Change in fund balances	60,000	60,000	104,470	44,470
Fund balance - beginning of year	85,740	85,740	85,740	-
Fund balance - end of year	\$ 145,740	\$ 145,740	\$ 190,210	\$ 44,470

VILLAGE OF DRY PRONG

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer For the year ended June 30, 2021

Agency Head (Mayor) - Shane Davis

Purpose:

Compensation	\$ 3,000
Benefits	-
Reimbursements	-
	<hr/>
Total	<u><u>\$ 3,000</u></u>

VILLAGE OF DRY PRONG
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the year ended June 30, 2021

Shane Davis, Mayor	\$ 3,000
Della Barbee, Alderman	1,500
Daryl Bryant, Alderman	1,500
Elisa Holton, Alderman	<u>1,625</u>
 Total	 <u><u>\$ 7,625</u></u>

VILLAGE OF DRY PRONG

***Justice System Funding Schedule - Collecting / Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session -
Cash Basis Presentation
For the Year Ended June 30, 2021***

	First Six Month Period Ended December 31, 2020	Second Six Month Period Ended June 30, 2021
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Criminal Criminal/Costs/Fees	14,196	28,988
Subtotal Collections	<u>14,196</u>	<u>28,988</u>
Less: Disbursements to Governments & Nonprofits		
Central Louisiana Juvenile Detention Center	30	855
Dept. of Health and Hospitals - Head Injury Fund	20	570
Louisiana Commission on Law Enforcement - Court Cost	-	228
State of Louisiana - CMIS Assessment	4	114
Less: Amounts Retained by the Village of Dry Prong		
Self Disbursed Court Cost	14,142	27,221
Subtotal Disbursements / Retainage	<u>14,196</u>	<u>28,988</u>
Ending Balance of Amounts Collected but not Disbursed	<u>\$ -</u>	<u>\$ -</u>



October 14, 2021

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

To the Mayor and Board of Aldermen
Village of Dry Prong, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Dry Prong, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Village of Dry Prong's basic financial statements, and have issued our report thereon dated October 14, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify



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any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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



Rozier, McKay & Willis
Certified Public Accountants

VILLAGE OF DRY PRONG

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2021

PART I - SUMMARY OF AUDITOR'S RESULTS:

- The Independent Auditors' Report on the financial statements of the Village of Dry Prong as of June 30, 2021 and for the year then ended expressed an unmodified opinion.
- The audit did not disclose any audit findings which are required to be reported as reportable conditions or material weaknesses.
- The results of the audit disclosed no instances of noncompliance that are considered to be material to the financial statements of the Village of Dry Prong.

PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

- None.

VILLAGE OF DRY PRONG

MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2021

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
No findings were reported in the schedule of findings.	Response – N/A
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings were reported in the schedule of findings.	Response – N/A
SECTION III MANAGEMENT LETTER	
No management letter was issued.	Response – N/A

VILLAGE OF DRY PRONG

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2021

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
No findings were reported in the schedule of findings.	Response – N/A
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings of this nature were reported as a result of the previous audit.	Response – N/A
SECTION III MANAGEMENT LETTER	
No management letter was issued.	Response – N/A