

VILLAGE OF CHOUDRANT

Financial Statements

For the Year Ended June 30, 2023



**Village of Choudrant
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For The Year Ended June 30, 2023**

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INDEPENDENT AUDITORS' REPORT

**Honorable Mayor and Board of Aldermen of
Village of Choudrant
Choudrant, Louisiana**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Village of Choudrant, Louisiana (the Village), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the Table of Contents.

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, and each major fund of the Village as of June 30, 2023, 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 Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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'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.

**Honorable Mayor and Board of Aldermen of
Village of Choudrant
Choudrant, Louisiana**

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' report that includes our 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 and *Government 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- 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 our 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.

We are 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 we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 4-9 and pages 29-30 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.

**Honorable Mayor and Board of Aldermen of
Village of Choudrant
Choudrant, Louisiana**

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 31 and the accompanying Act 87 Justice System Funding Schedule – Receiving Entity on page 39, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 basis financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head and the accompanying Act 87 Justice System Funding Schedule – Receiving Entity is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2025, on our consideration of the Village'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Cameron Hines & Company (APAC)

West Monroe, Louisiana
July 21, 2025

Village of Choudrant Management's Discussion and Analysis For The Year Ended June 30, 2023

Our discussion and analysis of the Village of Choudrant, Louisiana provides an overview of the Village's activities for the year ended June 30, 2023. Please read it in conjunction with the basic financial statements. The intent of this discussion and analysis is to look at the Village's financial performance as a whole.

FINANCIAL HIGHLIGHTS

- The assets of the Village of Choudrant, on a government-wide basis, exceeded its liabilities at June 30, 2023 by \$4,371,690. Of this amount, \$929,230 is unrestricted. The assets exceeded its liabilities at June 30, 2022 by \$4,420,473. Of this amount, \$806,544 is unrestricted.
- The Village's total net position decreased by \$48,783 for the fiscal year ended June 30, 2023. This is a result of a \$79,304 increase in governmental activities and a \$128,087 decrease in business-type activities operations. The Village's total net position increased by \$337,256 for the fiscal year ended June 30, 2022. This is a result of a \$429,242 increase in governmental activities and a \$91,986 decrease in business-type activities operations.
- The Village's governmental funds reported combined ending fund balances of \$993,946 at June 30, 2023. The Village's governmental funds reported combined ending fund balances of \$830,191 at June 30, 2022.
- The unassigned fund balance of the general fund was \$591,709 at June 30, 2023, or 105.83% of the total general fund expenditures. The unreserved fund balance of the general fund was \$759,655 at June 30, 2022, or 74.04% of the total general fund expenditures.
- The general fund reported an excess of revenues over expenditures of \$181,364 before transfers, and a deficiency of expenditures over revenues of \$60,743 after transfers for the fiscal year ended June 30, 2023. The general fund reported an excess of revenues over expenditures of \$64,776 before transfers, and an excess of revenues over expenditures of \$110,498 after transfers for the fiscal year ended June 30, 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village of Choudrant's basic financial statements. The basic financial statements comprise three components:

- *Government-wide financial statements.*
- *Fund financial statements.*
- *Notes to the financial statements.*

This report contains other supplementary information in addition to the basic financial statements themselves.

The basic financial statements include two kinds of statements that present different views of the Village:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Village's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Village's government, reporting operations in more detail than the government-wide statements.

Village of Choudrant

Management's Discussion and Analysis

For The Year Ended June 30, 2023

- The governmental fund statement tells how general government services like public safety were financed in the short term as well as what amounts remain for future spending.
- The proprietary fund statement offers short and long term financial information about the activities the government operates like businesses, such as the public utilities (water, sewer, sewer treatment systems).

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

In the past, the primary focus of local government financial statements has been summarized by fund type information on a current resources basis. However, with the implementation of Statement No. 34 of the Governmental Accounting Standards Board (GASB Statement No. 34) for June 30, 2005, the new focus is on both the Village as a whole (government-wide) and the fund financial statements. Each view provides a different snapshot of the Village's finances. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year-to-year or government-to-government) and enhance the Village's accountability.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the Village of Choudrant as a whole using accounting methods similar to those used by private-sector companies. The statement of net position and the statement of activities, which are the government-wide statements, include all of the government's assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two government-wide statements report the Village's net position and how they have changed. Net position - the difference between the Village's assets and liabilities - are one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net position are an indicator of whether its financial health is improving or deteriorating.

In the statement of net position and the statement of activities, the Village is divided into two categories:

- Governmental activities – Most of the Village's basic services are included here, such as the activities of the police, garbage and trash collection, park, and general administration. Franchise fees, insurance taxes, traffic fines, and payments from other governments finance most of these activities.
- Business-type activities – The Village charges fees to customers to cover the cost of the services it provides. Water, sewer and sewer treatment are included here. Grants have provided most of the capital assets required for these services.

FUND FINANCIAL STATEMENTS

The format of the fund financial statements will be more familiar to traditional users of government financial statements. The fund financial statements provide more detailed information about the Village's most significant funds – not the Village as a whole. Funds are accounting mechanisms that the Village uses to keep track of specific sources of funding and spending for particular purposes.

The Village has two kinds of funds:

Village of Choudrant

Management's Discussion and Analysis

For The Year Ended June 30, 2023

- Governmental funds – Most of the Village's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances remaining at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided on a subsequent page that explains the relationship (or differences) between the government-wide and fund statements.
- Proprietary funds – Services for which the Village charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short-term and long-term financial information. The Village's enterprise funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

The Total Governmental Funds column requires reconciliation because of the different measurement focus from the government-wide statements (current financial resources versus total economic resources) which is reflected at the bottom of each statement. The flow of current financial resources will reflect interfund transfers as other financing sources as well as capital expenditures as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column (in the government-wide statements).

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

The Village's combined net position for the 2022-2023 fiscal year decreased by \$48,783. The table shows the statement of net assets for the year ending 2023 and the year ending 2022. The table also shows the net assets for governmental activities, business-type activities and combines them into the primary government.

Statement of Net Assets

	Governmental Activities		Business Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<u>Assets</u>						
Current & Other	\$ 1,003,571	\$ 835,649	\$ 193,633	\$ 225,416	\$ 1,197,204	\$ 1,061,065
Capital	2,256,657	2,341,108	1,418,280	1,556,610	3,674,937	3,897,718
Total Assets	<u>\$ 3,260,228</u>	<u>\$ 3,176,757</u>	<u>\$ 1,611,913</u>	<u>\$ 1,782,026</u>	<u>\$ 4,872,141</u>	<u>\$ 4,958,783</u>
<u>Liabilities</u>						
Current & Other	\$ 9,625	\$ 5,458	\$ 147,128	\$ 136,765	\$ 156,753	\$ 139,731
Long-term	-	-	343,698	396,087	343,698	447,399
Total Liabilities	<u>9,625</u>	<u>5,458</u>	<u>490,826</u>	<u>532,852</u>	<u>500,451</u>	<u>587,130</u>
<u>Net Position</u>						
Invested in Capital						
Assets, net of debt	2,256,657	2,341,108	1,022,193	1,109,211	3,278,850	3,450,319
Unrestricted	993,946	830,191	98,894	139,963	1,092,840	970,154
Total Net Position	<u>\$ 3,250,603</u>	<u>\$ 3,171,299</u>	<u>\$ 1,121,087</u>	<u>\$ 1,249,174</u>	<u>\$ 4,371,690</u>	<u>\$ 4,420,473</u>

Village of Choudrant

Management's Discussion and Analysis

For The Year Ended June 30, 2023

Net position (assets less liabilities) may serve over time as a useful indicator of a government's financial position. The Village of Choudrant's assets exceeded liabilities by \$4,371,690 at the close of the fiscal year. The largest portion of the Village's net assets (75%) reflects its investment in capital assets. The Village uses these assets to provide services to its citizens and those assets are not available for spending.

Governmental Activities

Net position of the Village's governmental activities increased \$79,304 during the fiscal year ended June 30, 2023, and \$429,242 for the fiscal year ended June 30, 2022.

Business-type Activities

Net position of the Village's business-type activities decreased \$128,087 and \$91,986 during the fiscal years ended June 30, 2023 and 2022, respectively.

Statement of Activities

The following table shows the revenues and expenses of the governmental and business type activities:

	Governmental Activities		Business Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
REVENUES:						
Program Revenues						
Charges for Services	\$ 56,850	\$ 53,946	\$ 413,647	\$ 426,245	\$ 470,497	\$ 480,191
Grants and Contributions	275,674	653,336	-	-	275,674	653,336
General Revenues						
Sales Tax	383,733	363,234	-	-	383,733	363,234
Franchise Fees	32,402	36,428	-	-	32,402	36,428
Occupational Licenses	87,326	75,507	-	-	87,326	75,507
Permit Revenue	19,900	17,095	-	-	19,900	17,095
Miscellaneous	2,185	7,678	-	-	2,185	7,678
Interest Earned	1,204	1,844	652	202	1,856	2,046
Total Revenues	859,274	1,209,068	414,299	426,447	1,273,573	1,635,515
EXPENSES:						
General Government	374,947	418,143	-	-	374,947	418,143
Public Safety	161,311	220,179	-	-	161,311	220,179
Public Works	166,838	154,401	-	-	166,838	154,401
Culture & Recreation	9,493	2,664	-	-	9,493	2,664
Utilities	-	-	609,767	502,872	609,767	502,872
Total Expenses	712,589	795,387	609,767	502,872	1,322,356	1,298,259
Increase (Decrease) in Net Assets						
Before Transfers	146,685	413,681	(195,468)	(76,425)	(48,783)	337,256
Transfers	(67,381)	15,561	67,381	(15,561)	-	-
Increase (Decrease) in Net Assets	79,304	429,242	(128,087)	(91,986)	(48,783)	337,256
Net Assets Beginning of Year	3,171,299	2,742,057	1,249,174	1,341,160	442,047	4,083,217
Net Assets End of Year	\$ 3,250,603	\$ 3,171,299	\$ 1,121,087	\$ 1,249,174	\$ 4,371,690	\$ 4,420,473

Village of Choudrant Management's Discussion and Analysis For The Year Ended June 30, 2023

Governmental Activities

During the fiscal years ended June 30, 2023 and 2022, the major sources of income were:

	<u>2023</u>	<u>2022</u>
• Sales Tax	45%	30%
• Franchise Fees	4%	3%
• Occupational Licenses	10%	6%
• Grants and Contributions	32%	54%
• Charges for Services	7%	4%

Business-type Activities

Total revenues from business-type activities were \$414,299 for the fiscal year ended June 30, 2023. This decreased \$12,148 from last year. Expenses for the Village's business-type activities were \$609,767. The business-type activities had a net operating loss of \$196,120. Net position decreased \$128,087 after transfers in of \$67,381.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

The Village of Choudrant uses Fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

The Village's combined ending fund balances was \$993,946 at June 30, 2023.

The General fund is the chief operating fund of the Village. The unassigned fund balance at June 30, 2023 was \$591,709. Unassigned fund balance represents 105.83% of the total general fund expenditures.

Proprietary Funds

The Village's proprietary funds provide the same type information found in the government-wide financial statements, but in more detail.

Net position of the Utilities Enterprise fund at the end of the fiscal year was \$1,121,087. The fund had an operating loss of \$196,120 before non-operating revenues of \$652 and operating transfers-in of \$67,381.

**Village of Choudrant
Management's Discussion and Analysis
For The Year Ended June 30, 2023**

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Village of Choudrant's investment in Capital assets for its governmental and business-type activities as of June 30, 2023 amounted to \$3,674,937 (net of depreciation). This investment includes land, buildings and improvements, equipment, vehicles, water and sewer facilities. The outstanding debt of \$396,087 is for revenue bonds.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village's management and elected officials considered many factors when preparing the 2023-2024 budget. Most revenue sources should remain fairly consistent with prior year collections. The Village has several capital projects ongoing.

REQUEST FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the funds it receives. If you have any questions about this report or need additional information, contact the Village Clerk, Village of Choudrant, Louisiana, P.O. Box 288, Choudrant, Louisiana 71227.

Village of Choudrant
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 429,044	\$ 4,611	\$ 433,655
Investments	482,319	164,262	646,581
Receivables	51,501	51,398	102,899
Internal Balances	26,638	(26,638)	-
Other Assets	14,069	-	14,069
Capital Assets			
Land, Improvements, and Construction in Progress	76,176	10,281	86,457
Other Capital Assets, Net of Depreciation	2,180,481	1,407,999	3,588,480
Total Assets	\$ 3,260,228	\$ 1,611,913	\$ 4,872,141
Liabilities and Net Position			
Liabilities			
Accounts Payable and Accrued Expenses	\$ 9,625	\$ 16,703	\$ 26,328
Accrued Interest	-	4,895	4,895
Customer Deposits	-	73,141	73,141
Long-Term Liabilities			
Notes Payable - Due Within One Year	-	52,389	52,389
Notes Payable - Due In More Than One Year	-	343,698	343,698
Total Liabilities	9,625	490,826	500,451
Net Position			
Invested in Capital Assets, Net of Related Debt	2,256,657	1,022,193	3,278,850
Restricted For:			
Debt Service	-	163,610	163,610
Unrestricted	993,946	(64,716)	929,230
Total Net Position	3,250,603	1,121,087	4,371,690
Total Liabilities and Net Position	\$ 3,260,228	\$ 1,611,913	\$ 4,872,141

The accompanying notes are an integral part of this financial statement.

Village of Choudrant
Statement of Activities
For The Year Ended June 30, 2023

		Program Revenues		
		Charges for	Capital	Operating
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 374,947	\$ -	\$ -	\$ 193,857
Public Safety	161,311	10,864	-	9,138
Public Works	166,838	45,986	-	72,679
Culture and Recreation	9,493	-	-	-
Total Governmental Activities	<u>\$ 712,589</u>	<u>\$ 56,850</u>	<u>\$ -</u>	<u>\$ 275,674</u>
Business-Type Activities:				
Water and Sewer	\$ 609,767	\$ 413,647	\$ -	\$ -
Total Business-Type Activities	<u>\$ 609,767</u>	<u>\$ 413,647</u>	<u>\$ -</u>	<u>\$ -</u>
Total Primary Government	<u>\$ 1,322,356</u>	<u>\$ 470,497</u>	<u>\$ -</u>	<u>\$ 275,674</u>

General Revenues:

Taxes:

Sales Tax Levied for General Purposes

Franchise Revenues

Occupational Licenses

Permit Revenue

Investment Earnings

Miscellaneous

Transfers

Total General Revenues, Special Items, and Transfers

Changes in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (181,090)	\$ -	\$ (181,090)
(141,309)	-	(141,309)
(48,173)	-	(48,173)
(9,493)	-	(9,493)
<u>\$ (380,065)</u>	<u>\$ -</u>	<u>\$ (380,065)</u>
\$ -	\$ (196,120)	\$ (196,120)
<u>\$ -</u>	<u>\$ (196,120)</u>	<u>\$ (196,120)</u>
<u>\$ (380,065)</u>	<u>\$ (196,120)</u>	<u>\$ (576,185)</u>

383,733	-	383,733
32,402	-	32,402
87,326	-	87,326
19,900	-	19,900
1,204	652	1,856
2,185	-	2,185
(67,381)	67,381	-
<u>459,369</u>	<u>68,033</u>	<u>527,402</u>
79,304	(128,087)	(48,783)
3,171,299	1,249,174	4,420,473
<u>\$ 3,250,603</u>	<u>\$ 1,121,087</u>	<u>\$ 4,371,690</u>

The accompanying notes are an integral part of this financial statement.

Village of Choudrant
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Non-Major Solid Waste Fund	ARPA Fund	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 44,234	\$ 102,881	\$ 281,929	\$ 429,044
Investments	445,073	37,246	-	482,319
Receivables	41,656	9,845	-	51,501
Due From Other Funds	56,736	3,767	-	60,503
Other Assets	13,611	458	-	14,069
Total Assets	<u>\$ 601,310</u>	<u>\$ 154,197</u>	<u>\$ 281,929</u>	<u>\$ 1,037,436</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Accrued Expenses	\$ 9,601	\$ 24	\$ -	\$ 9,625
Due to Other Funds	-	33,865	-	33,865
Total Liabilities	<u>9,601</u>	<u>33,889</u>	<u>-</u>	<u>43,490</u>
Fund Balances				
Unassigned	591,709	120,308	281,929	993,946
Assigned	-	-	-	-
Total Fund Balances	<u>591,709</u>	<u>120,308</u>	<u>281,929</u>	<u>993,946</u>
Total Liabilities and Fund Balances	<u>\$ 601,310</u>	<u>\$ 154,197</u>	<u>\$ 281,929</u>	

Amounts reported for *Governmental Activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds

2,256,657

Net Position of Governmental Activities

\$ 3,250,603

The accompanying notes are an integral part of this financial statement.

Village of Choudrant
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2023

	General Fund	Non-Major Solid Waste Fund	Non-Major ARPA Fund	Total Governmental Funds
Revenues				
Taxes	\$ 383,733	\$ -	\$ -	\$ 383,733
Intergovernmental	202,995	72,679	-	275,674
Licenses and Permits	139,628	-	-	139,628
Fines and Forfeitures	10,864	-	-	10,864
Charges for Services	-	45,986	-	45,986
Investment Earnings	1,093	111	-	1,204
Miscellaneous	2,185	-	-	2,185
Total Revenues	<u>740,498</u>	<u>118,776</u>	<u>-</u>	<u>859,274</u>
Expenditures				
General Government	339,876	-	-	339,876
Public Safety	135,547	-	-	135,547
Public Works	75,183	69,004	-	144,187
Culture and Recreation	8,528	-	-	8,528
Total Expenditures	<u>559,134</u>	<u>69,004</u>	<u>-</u>	<u>628,138</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>181,364</u>	<u>49,772</u>	<u>-</u>	<u>231,136</u>
Other Financing Sources (Uses)				
Operating Transfers - In	6,982	-	181,708	188,690
Operating Transfers - Out	(249,089)	-	(6,982)	(256,071)
Total Other Financing Sources (Uses)	<u>(242,107)</u>	<u>-</u>	<u>174,726</u>	<u>(67,381)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(60,743)</u>	<u>49,772</u>	<u>174,726</u>	<u>163,755</u>
Fund Balances, Beginning of Year	759,655	70,536	-	
Prior Period Adjustment	(107,203)	-	107,203	
Fund Balances, End of Year	<u>\$ 591,709</u>	<u>\$ 120,308</u>	<u>\$ 281,929</u>	

Net Changes in Fund Balances - Total Governmental Funds

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital assets purchased capitalized	8,352
Depreciation expense	<u>(92,803)</u>
	(84,451)
Changes in Net Position in Governmental Activities	<u>\$ 79,304</u>

The accompanying notes are an integral part of this financial statement.

Village of Choudrant
Statement of Net Position
Proprietary Funds
June 30, 2023

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 4,611
Receivables	51,398
Due From Other Funds	26,468
Total Current Assets	<u>82,477</u>
Noncurrent Assets:	
Restricted Cash and Investments	164,262
Capital Assets	
Land, Improvements	10,281
Vehicles & Work Equipment	172,548
Office Equipment	10,574
Treatment Facilities	3,283,265
Water Wells and Lines	4,475,963
Total Capital Assets	<u>7,952,631</u>
Less: Accumulated Depreciation	<u>(6,534,351)</u>
Net Capital Assets	<u>1,418,280</u>
Total Noncurrent Assets	<u>1,582,542</u>
Total Assets	<u><u>\$ 1,665,019</u></u>
Liabilities and Net Position	
Liabilities	
Current Liabilities	
Accounts Payable and Accrued Expenses	\$ 16,703
Due To Other Funds	53,106
Accrued Interest	4,895
Customer Deposits	73,141
Bonds Payable	52,389
Total Current Liabilities	<u>200,234</u>
Noncurrent Liabilities	
Bonds Payable	<u>343,698</u>
Total Noncurrent Liabilities	<u>343,698</u>
Total Liabilities	<u><u>543,932</u></u>
Net Position	
Invested in Capital Assets, Net of Related Debt	1,022,193
Restricted for Debt Service	163,610
Unrestricted	<u>(64,716)</u>
Total Net Position	<u>1,121,087</u>
Total Liabilities and Net Position	<u><u>\$ 1,665,019</u></u>

The accompanying notes are an integral part of this financial statement.

Village of Choudrant
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds
For The Year Ended June 30, 2023

Operating Revenues

Charges for Services:

Water Sales	\$ 310,057
Sewer Revenues	77,611
Other Water & Sewer Revenues	25,979
Total Operating Revenues	<u>413,647</u>

Operating Expenses

Accounting & Legal Expenses	1,836
Contract Labor	15,533
Depreciation and Amortization	138,330
Interest Expense	16,011
Materials, Repairs & Supplies	95,020
Office Supplies	1,616
Other Administrative	21,515
Payroll Taxes	1,699
Permit Fees	12,827
Postage	1,544
Salaries & Wages	153,479
Utilities	136,699
Vehicle Expense	13,658
Total Operating Expenses	<u>609,767</u>
Total Operating Income /(Loss)	<u>(196,120)</u>

Non Operating Revenues/(Expenses)

Interest Income	652
Grant Funds	-
Total Non Operating Revenues/(Expenses)	<u>652</u>

Net Loss Before Operating Transfers (195,468)

Operating Transfers - In/(Out) 67,381

Net Income/(Loss) \$ (128,087)

Net Position, Beginning of Year 1,249,174

Net Position, End of Year \$ 1,121,087

The accompanying notes are an integral part of this financial statement.

Village of Choudrant
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2023

	Business-Type Activities Enterprise Fund
<u>Cash Flows From Operating Activities</u>	
Receipts from Customers	\$ 433,256
Payments to Provide Services	(308,672)
Payments to Employees	(153,479)
Net Cash Provided (Used) by Operating Activities	<u>(28,895)</u>
<u>Cash Flows From Noncapital Financing Activities</u>	
Increase in Restricted Assets	(652)
Operating Transfers In/(Out)	67,381
Net Cash Provided (Used) by Noncapital Financing Activities	<u>66,729</u>
<u>Cash Flows From Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	-
Debt Service Payments	(51,312)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(51,312)</u>
<u>Cash Flows From Investing Activities</u>	
Interest Earned	652
Net Cash Provided (Used) by Investing Activities	<u>652</u>
Net Increase/(Decrease) in Cash And Cash Equivalents	<u>(12,826)</u>
Cash And Cash Equivalents, Beginning of Year	17,437
Cash And Cash Equivalents, End of Year	<u><u>\$ 4,611</u></u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities	
Operating Income/(Loss)	\$ (196,120)
<i>Adjustments to Reconcile Net Loss to Net Cash Provided (Used) by Operating Activities:</i>	
Depreciation and Amortization	138,330
Decrease in Accounts Receivable	-
Increase in Due to/from Other Funds	19,609
Increase in Customer Deposits	2,084
Decrease in Accounts Payable and Accrued Expenses	7,202
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ (28,895)</u></u>

The accompanying notes are an integral part of this financial statement.

Village of Choudrant
Notes to the Financial Statements
For The Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Choudrant, Louisiana was reorganized in 1949, under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Alderman form of government. The financial statements of the Village have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units, except as noted elsewhere in this report. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The accompanying general purpose financial statements comply with the provisions of GASB Statement No. 14, "*The Financial Reporting Entity*" in that the financial statements include all organizations, activities, and functions that comprise the Village Component units are legally separate entities for which the Village (primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organizations' governing body and either (1) the Village's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Village. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Choudrant Volunteer Fire Department has been included within the General Fund. Using these criteria, the Village has no component units.

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets) report information on all of the nonfiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

Fund financial statements are provided for governmental proprietary and fiduciary funds. Major Individual government and enterprise funds are reported in separate columns with composite columns for non-major funds.

Village of Choudrant
Notes to the Financial Statements
For The Year Ended June 30, 2023

D. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *basis of accounting*. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within ninety days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Grant and entitlements and interest associated with the current fiscal period are all considered being susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered measurable and available only when the Village receives cash.

E. Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The Village only uses governmental funds.

F. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The Village reports the following major governmental funds:

General Fund – This fund is established to account for resources devoted to financing the general services that the Village performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the Village are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not established.

Special Revenue Funds – These funds are established to account for the proceeds of specific revenue sources other than expendable trusts or major capital projects that are legally restricted to expenditures for specified purposes.

G. Proprietary Fund Types

These funds account for operations that are organized to be self-supporting through user charges. Included in this category are the Enterprise Funds.

Village of Choudrant
Notes to the Financial Statements
For The Year Ended June 30, 2023

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Village, available means expected to be received within thirty-one days of fiscal year-end. Under the modified accrual basis, only interest is considered to be both measurable and available at fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving value in return, includes grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the resources are provided to the Village on a reimbursements basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

H. Expenses/Expenditures

On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

I. Budgetary Data

Formal budgetary accounting is employed as a management control for the General, Special Revenue and Enterprise Funds of the Village. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required, and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principles basis. A budget for the Capital Projects fund is not adopted and is therefore not presented in the accompanying combined and combining financial statements. Budgetary control is exercised at the departmental level or by projects.

All encumbered budget appropriations lapse at the end of each fiscal year.

J. Cash and Cash Equivalents

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Certificates of deposit and other securities with original maturities over three months are classified as short-term investments and stated at cost, which approximates market value.

Village of Choudrant
Notes to the Financial Statements
For The Year Ended June 30, 2023

K. Restricted Assets

Restricted assets are cash, cash equivalents and due from General Fund whose use is limited by legal requirements. Restricted cash with fiscal agent represents amounts required by debt covenant to be segregated for final year debt payment and accrued interest on the bonds.

L. Receivables

All receivables are reported at their gross value. The Village uses the direct charge off method for uncollectible accounts rather than an allowance for such losses. This method is not in accordance with generally accepted accounting principles. However, when use of this method has little effect on the financial statements, it is not a departure from GAAP.

M. Interfund Transactions

During the course of normal operations, the Village has numerous transactions between funds. Interfund transactions are generally classified as follows:

Operating transfers are reported as “Other Financing Sources and Uses” in the governmental funds, as “Operating Transfers In” by the recipient fund, and “Operating Transfers Out” by the disbursing fund.

On the governmental funds balance sheet, receivables and payables resulting from short-term loans are classified as “Due to and Due from other Funds.” These amounts are eliminated on the statement of net assets.

N. Interest Receivable

Interest on investments is recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

O. Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Village maintains infrastructure asset records consistent with all other capital asset records. Donated assets are at fair value on the date donated. The Village maintains a capitalization threshold of \$1,000. Improvements are capitalized; the cost of normal maintenance and reports that do not add to the value of the assets or materially extend the asset’s life are not. Capital assets are depreciated using the straight line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

In proprietary funds, the following estimated useful lives are used to compute depreciation:

Improvements Other Than Buildings	10-40 Years
Equipment	5-8 Years

Village of Choudrant
Notes to the Financial Statements
For The Year Ended June 30, 2023

P. Expenditure Recognition

Inventory items (materials and supplies) are considered expenditures when purchased (purchase method) due to the insignificant amounts.

Q. Compensated Absences

No accrual was made for employees' compensation for future absences (vacation pay) since these rights do not vest or accumulate.

R. Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds.

S. Reservations of Fund Balances

The Village records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore, are not available for appropriations or expenditures in the governmental fund balance sheet. Unreserved fund balance indicates that portion of fund equity, which is available for appropriations, in future periods. Fund equity reserves have been established for encumbrances in the general fund and for future debt service. If restricted and unrestricted assets are available for the same purpose, then restricted assets will be used before unrestricted assets.

T. Net Position

Net position present the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by Village legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

U. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statement and accompanying notes. Actual results may differ from these estimates.

V. Accrued Liability

The Village reports any accrued liabilities on the statement of net assets.

W. Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

Village of Choudrant
Notes to the Financial Statements
For The Year Ended June 30, 2023

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted Fund Balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the village aldermen – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the village aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – This classification reflects the amounts constrained by the Village’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Village aldermen and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance - This fund balance is the residual classification for the general fund. It is used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Village’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

2. CASH & CASH EQUIVALENTS

Custodial credit risk – deposits. The Village’s cash and certificates of deposit consist of deposits with financial institutions. State statutes govern the Village’s investment policy. Permissible investments include direct obligations of the U.S. Government and agency securities, certificates of deposit, and savings accounts or savings certificates of savings and loan associations and repurchase agreements. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates the local government investment pool. Collateral is required for demand deposits, certificates of deposit, savings certificates of savings and loan associations and repurchase agreements at 100% of all amounts not covered by deposit insurance. Obligations that may be pledged as collateral are obligations of the United States government and its agencies and obligations of the state and its subdivisions. Per Louisiana State law, collateral is not required for funds invested in LAMP.

Village of Choudrant
Notes to the Financial Statements
For The Year Ended June 30, 2023

The following is a schedule of the Village's cash and certificates of deposit at June 30, 2023. Differences between the Village's balances and the bank balances arise because of the net effect of deposits-in-transit and outstanding checks.

	<u>Book Balance</u>	<u>Bank Balance</u>
Cash on Deposit	\$ 433,655	\$ 511,987
Certificates of Deposit	646,581	646,581
Total	\$ <u>1,080,236</u>	\$ <u>1,158,568</u>

The Village's deposits are collateralized as follows:

FDIC Insured Deposits	\$ 250,000
Uninsured Deposits:	
Collateralized-Category 3	908,568
Total	\$ <u>1,158,568</u>

Credit risk. The Village's only investments are the certificates of deposit mentioned above, therefore the Village is exposed to no credit risk.

Concentration of credit risk. The Village does not limit the amount that may be invested in securities of any one issuer. Applicable state statutes do not place limits on credit concentration.

Interest rate risk. The Village manages its exposure to declines in fair values by limiting the maturity of its investments to not longer than one year.

3. INTERFUND BALANCES

Interfund balances at June 30, 2023 consist of the following individual receivables and payables in the governmental fund balance sheet.

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 56,736	\$ -
Solid Waste Fund	3,767	33,865
Water Fund	26,468	53,106
Totals	\$ <u>86,971</u>	\$ <u>86,971</u>

Village of Choudrant
Notes to the Financial Statements
For The Year Ended June 30, 2023

4. OPERATING TRANSFERS

Transfers in and out for all funds for the year ending June 30, 2023:

	Operating Transfers In	Operating Transfers Out
General Fund	\$ 6,982	\$ 249,089
Solid Waste Fund	-	-
ARPA	181,708	6,982
Water Fund	67,381	-
Totals	\$ <u>256,071</u>	\$ <u>256,071</u>

5. RESTRICTED ASSETS

Under the provisions of the 1997 Water Revenue Bonds, the Village of Choudrant, by proper ordinances and/or resolutions has pledged to fix water rates to levels that will always provide revenues sufficient to pay reasonable and necessary expenses of operating and maintaining the system, the principle and interest falling in each year, and all reserves sinking funds or other payments required by resolution. Revenues in each year, after paying all reasonable and necessary expenses of operating and maintaining the system, at least equal to 120% of the largest amount of principle and interest falling due on the Bonds in any future year.

Income and revenues are to be deposited daily in a separate bank account with the designated fiscal agent and designated as the Waterworks Revenue fund. The Revenue fund shall be maintained and administered in the following order of priority and for the following express purposes:

1. Payment of all reasonable and necessary expenses of operating and maintaining the System.
2. The establishment and maintenance of a "Water System Revenue Bond Sinking Fund." The Revenue Fund is to transfer monthly on or before the 20th day of each month, commencing in March 1997, a sum to 1/6th of the interest falling due on the next interest payment date and 1/12th of the principle falling due on the next principle payment date with regards to the Bonds. The Village of Choudrant shall transfer from the Sinking Fund at least three days in advance of each interest payment date to the agent back, funds fully sufficient to pay promptly the principal and interest.
3. The establishment and maintenance of a "Reserve Fund" by depositing monthly on or before the 20th day of each month, commencing March 1997, a sum equal to 10% of the amount to be paid into the Sinking Fund. The payments into the Reserve fund are to continue until such time as there has been an accumulated sum equal to the Reserve fund Requirement. (The maximum principle and interest due in any future year (\$26,900 in fiscal year 2010). The money in the Reserve fund shall be retained solely for the purpose of paying principal and interest on the Bonds, which would otherwise be in default.

Village of Choudrant
Notes to the Financial Statements
For The Year Ended June 30, 2023

4. The establishment of a “Waterworks Depreciation and Contingency Fund: to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the system. The Village of Choudrant shall transfer monthly from the Revenue Fund on or before the 20th of the month, commencing March 1997, a sum equal to 10% of the Revenues for the preceding month. Such payments are to continue until the sum of \$15,000 has been accumulated. The money shall never be used for making improvements and extensions to the system if the use of the money will leave the fund with less than \$2,500.

As of June 30, 2023, the Village of Choudrant had established all of the required restricted asset accounts, and were funded as follows:

Water System Revenue Bond Sinking Fund	\$	76,123
Reserve Fund		73,139
Waterworks Depreciation & Contingency Fund		15,000
Total	\$	<u>164,262</u>

6. RECEIVABLES

Receivables at June 30, 2023, consisted of the following:

		Accounts		Intergovernmental		Total
General	\$	-	\$	41,656	\$	41,656
Special Revenue		9,845		-		9,845
Enterprise		51,398		-		51,398
Totals	\$	<u>61,243</u>	\$	<u>41,656</u>	\$	<u>102,899</u>

7. METER DEPOSITS PAYABLE, ENTERPRISE FUND

The Village maintains a customer Deposit fund. These monies are collected from new water and sewer customers, as follows:

\$20 – Water Customer

\$20 – Sewer Customer

These deposits are maintained on account until customer leaves Village water and sewer system or is disconnected for non-payment. The current balance of Meter deposits at June 30, 2023, is \$73,141.

8. WATER & SEWER REVENUE

The Village has approximately 538 customers on the Village Waterworks system. These metered customers are charged according to the following rate table:

Up to 2,000 gallons	\$13.00 Minimum
All Over 2,000 gallons	\$2.00 per 1,000 gallons thereafter

Village of Choudrant
Notes to the Financial Statements
For The Year Ended June 30, 2023

The Village offers sewer service within the Village limits to its citizens. The sewer service is paid for with a fee of \$16 per month for the first 1,000 gallons and \$16 per each 1,000 gallons thereafter. There are approximately 506 customers currently on the sewer system.

9. FIXED ASSETS

The following is a summary of changes in Capital Assets during the fiscal year in Governmental Activities:

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
Buildings	\$ 1,193,847	\$ -	\$ -	\$ 1,193,847
Improvements Other than Buildings	195,929	-	-	195,929
Equipment	1,104,826	8,352	-	1,113,178
Infrastructure	1,828,396	-	-	1,828,396
Construction in Progress	-	-	-	-
Total Governmental Fixed Assets	\$ 4,322,998	\$ 8,352	\$ -	\$ 4,331,350
Accumulated Depreciation	(1,981,890)	-	(92,803)	(2,074,693)
Total	\$ 2,341,108	\$ 8,352	\$(92,803)	\$ 2,256,657

Governmental activities depreciation for the fiscal year ended June 30, 2023 totaled \$92,803

The following is a summary of proprietary fund-type assets at June 30, 2023:

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
Water Wells & Tanks	\$ 2,570,372	\$ -	\$ -	\$ 2,570,372
Vehicles	74,579	-	-	74,579
Sewerage Distribution System	3,108,819	-	-	3,108,819
Land	10,281	-	-	10,281
Water Well Distribution System	1,905,591	-	-	1,905,591
Storm Water Treatment Plant	174,446	-	-	174,446
Office Equipment	10,574	-	-	10,574
Equipment	97,969	-	-	97,969
Total	7,952,631	-	-	7,952,631
Accumulated Depreciation	(6,396,021)	-	(138,330)	(6,534,351)
Total	1,556,610	-	\$(138,330)	\$ 1,418,280

Depreciation expense on the proprietary fund totaled \$138,330 for the fiscal year.

Village of Choudrant
Notes to the Financial Statements
For The Year Ended June 30, 2023

10. LONG-TERM DEBT

Revenue Bonds

Revenue Bonds outstanding consist of debt issued by the Water Fund. Facilities and revenues of the Water Fund are pledged for the payment of revenue bond debt service.

The following is a summary of changes in long-term for the year ended June 30, 2023:

<u>Description</u>	<u>Amount of</u> <u>Original Issue</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>June 30,</u> <u>2022</u>	<u>Retired</u>	<u>Balance</u> <u>June 30,</u> <u>2023</u>
Revenue Bonds	\$ 550,000	March 1, 2029	3.65%	\$ 238,779	\$ 30,062	\$ 208,717
Revenue Bonds	\$ 425,000	March 1, 2029	3.65%	208,620	21,250	187,370
Totals				\$ 447,399	\$ 51,312	\$ 396,087

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of June 30 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 52,389	\$ 13,819	\$ 66,208
2025	53,546	11,918	65,464
2026	54,725	9,996	64,721
2027	55,947	8,030	63,977
2028	57,206	6,027	63,233
Thereafter	122,274	7,311	129,585
Total	\$ 396,087	\$ 57,101	\$ 453,188

11. COMMITMENTS AND CONTINGENCIES

Litigation

The management of the Village is unaware of any pending or threatened litigation involving the Village of Choudrant.

Village of Choudrant
Notes to the Financial Statements
For The Year Ended June 30, 2023

12. COMPENSATION PAID TO MAYOR AND COUNCIL MEMBERS

Council Members are paid a \$25 per diem for each meeting attended. The Mayor is paid a salary as follows:

Thomas Patton	\$	300
Ricky Maier		300
John Croswell, Jr.		300
Bill Sanderson, Mayor		15,000
Total	\$	<u>15,900</u>

13. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; damage to, and theft or destructions of assets; errors and omissions; injuries to employees and natural disaster. Coverages provided by the company are as follows:

Public Official Errors and Omissions Liability (Per occurrence)	
Business Auto Coverage Liability Combined	\$ 500,000
Commercial General Liability	
Commercial Property	
Personal and Advertising Injury	
Valuable Papers	
Law Enforcement Officers Liability	\$ 500,000
Surety Bond (Clerk) per occurrence	\$ 10,000

Workers' compensation coverage is maintained by paying premiums based upon accident history and administrative costs.

14. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to move the Village's ARPA funds out of the General Fund and into a separate fund. The net effect of the adjustment is \$-0-. The General Fund's net assets decreased by \$107,203 and the ARPA Fund net assets increased by \$107,203.

15. SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through July 21, 2025, the date on which the financial statements were available to be issued.

Village of Choudrant
Budgetary Comparison Schedule - General Fund
For The Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
Revenues				
Taxes	\$ 325,000	\$ 325,000	\$ 383,733	\$ 58,733
Intergovernmental	42,000	42,000	202,995	160,995
Licenses and Permits	109,800	109,800	139,628	29,828
Fines and Forfeitures	5,650	5,650	10,864	5,214
Investment Earnings	250	250	1,093	843
Miscellaneous	-	-	2,185	2,185
Total Revenues	482,700	482,700	740,498	257,798
Expenditures				
General Government	573,475	573,475	339,876	233,599
Public Safety	99,950	99,950	135,547	(35,597)
Public Works	32,000	32,000	75,183	(43,183)
Culture and Recreation	52,200	52,200	8,528	43,672
Total Expenditures	757,625	757,625	559,134	198,491
Excess of Revenues over Expenditures	(274,925)	(274,925)	181,364	456,289
Other Financing Sources (Uses)				
Operating Transfers - In	280,000	280,000	6,982	(273,018)
Operating Transfers - Out	-	-	(249,089)	(249,089)
Total Other Financing Sources (Uses)	280,000	280,000	(242,107)	(522,107)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	5,075	5,075	(60,743)	(65,818)
Fund Balances, Beginning of Year	759,655	759,655	759,655	-
Prior Period Adjustment			(107,203)	
Fund Balances, End of Year	\$ 764,730	\$ 764,730	\$ 591,709	\$ (65,818)

See independent auditors' report.

Village of Choudrant
Notes To Budgetary Comparison Schedule
For The Year Ended June 30, 2023

The Village uses the following budget practices:

1. In May of each year, the Mayor submits to the Board of Aldermen an operating and capital budget for the succeeding year.
2. A public hearing is scheduled by the Mayor and the Board of Aldermen after allowing for at least ten days notice to the public at the time the budget is initially submitted to the Board of Aldermen.
3. Final adoption of the budget by the Board of Aldermen is in June.
4. The Mayor may authorize transfers of budgetary amounts within departments. Any revision requiring alteration of levels of expenditures or transfers between departments must be approved by the Board of Aldermen.
5. Operating appropriations and non-major capital appropriations, to the extent not expended, lapse at year end.
6. All legally adopted budgets of the Village are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgets are adopted for the General Fund, Solid Waste Fund, and the Utility Enterprise Fund.

Budget comparison statements included in the accompanying financial statements include the original adopted budget and all subsequent adopted amendments.

Village of Choudrant
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to
Agency Head
For The Fiscal Year Ended June 30, 2023

Schedule 2

Agency Head:

William L. "Bill" Sanderson, Mayor

Purpose:

Salary	\$ 15,000
Benefits - Payroll Taxes and IRA Match	1,598
Travel Allowance	<u>3,000</u>
Total Compensation, Benefits and Other Payments	<u><u>\$ 19,598</u></u>

See independent auditors' report.

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Certified Public Accountants

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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 Honorable Mayor and Board of Aldermen
Village of Choudrant, 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 Choudrant, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Choudrant, Louisiana's basic financial statements, and have issued our report thereon dated July 21, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Choudrant, Louisiana'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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Choudrant, Louisiana'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 any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To The Honorable Mayor and Board of Aldermen
Village of Choudrant, Louisiana
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Choudrant, Louisiana'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 financial statements. 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as items 2023-001 and 2023-002.

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. Under Louisiana Revised Statute 24:513, this report is to be distributed by the Legislative Auditor as a public document.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
July 21, 2025

**Village of Choudrant
Schedule of Findings and Responses
For The Year Ended June 30, 2023**

Honorable Mayor and Board of Aldermen of
Choudrant, Louisiana

We have audited the financial statements of the Village of Choudrant, Louisiana as of and for the year ended June 30, 2023, and have issued our report thereon dated July 21, 2025. 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. Our audit of the financial statements as of June 30, 2023, resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

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

	<u>Yes</u>	<u>No</u>
<u>Internal Control</u>		
Material Weaknesses		X
Significant Deficiencies		X
<u>Compliance</u>		
Noncompliance Material to Financial Statements	X	

B. Federal Awards – N/A

Internal Control

Material Weakness Identified _____ yes _____ no

Significant Deficiencies not considered to be

Material Weaknesses _____ yes _____ no

Type of Opinion on Compliance For Major Programs

Unmodified _____ Modified _____

Disclaimer _____ Adverse _____

Are their findings required to be reported in accordance with Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Uniform Guidelines Requirements for Federal Awards (Uniform Guidance)?

C. Identification of Major Programs: N/A

Dollar threshold used to distinguish between Type A and Type B Programs.

Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance?

**Village of Choudrant
Schedule of Findings and Responses
For The Year Ended June 30, 2023**

Section II - Financial Statement Findings

2023-001 Budget Authority and Control

Condition:

It was noted that actual expenditures on the general fund were above the total budgeted expenditures by more than five percent.

Criteria:

Under Louisiana law, statute 39:1311 requires that the budget must be amended when actual expenditures and other uses, within a fund, is above budgeted expenditures and other uses by more than five percent.

Effect:

The Village is not in compliance with the state budget law.

Recommendation:

The Village should monitor its expenditures and amend the budget before year end.

Response:

The Village will continue to monitor the actual revenues, and expenditures, closer as they relate to the adopted budgets and adopts amendments to the original budget when it becomes necessary.

2023-002 Late Submission of Financial Statements

Condition:

It was noted that the Village submitted its annual financial statements after the December 31, 2023 due date.

Criteria:

Under Louisiana law, statute 33:463 requires that the Village must produce and transmit an annual financial statement to the Louisiana Legislative Auditor within six months of the close of the fiscal year.

Effect:

The Village is not in compliance with the state law.

Recommendation:

The Village should produce and submit its financial statements before the statutory deadline.

Response:

The Village has taken steps to ensure that it will produce and submit its annual financial statements in a timely manner in the future.

**Village of Choudrant
Schedule of Findings and Responses
For The Year Ended June 30, 2023**

Section III - Federal Award Findings and Question Costs

This section is not applicable for this entity.

**Village of Choudrant
Schedule of Prior Year Findings
For the Year Ended June 30, 2023**

Internal Control and Compliance Material to the Financial Statements

22-01 Budget Authority and Control

Condition:

It was noted that actual expenditures on the general fund were above the total budgeted expenditures by more than five percent.

Recommendation:

The Village should monitor its expenditures and amend the budget before year end.

Response:

The Village will continue to monitor the actual revenues, and expenditures, closer as they relate to the adopted budgets and adopts amendments to the original budget when it becomes necessary.

Status:

No longer applicable

22-02 Late Submission of Financial Statements

Condition:

It was noted that the Village submitted its annual financial statements after the December 31, 2022 due date.

Recommendation:

The Village should produce and submit its financial statements before the statutory deadline.

Response:

The Village has taken steps to ensure that it will produce and submit its annual financial statements in a timely manner in the future.

Status:

No longer applicable

Management Letter

No management letter was issued.

**Village of Choudrant
Management's Corrective Action Plan
For The Year Ended June 30, 2023**

Section II - Financial Statement Findings

2023-001 Budget Authority and Control

Condition:

It was noted that actual expenditures on the general fund were above the total budgeted expenditures by more than five percent.

Recommendation:

The Village should monitor its expenditures and amend the budget before year end.

Response:

The Village will continue to monitor the actual revenues, and expenditures, closer as they relate to the adopted budgets and adopts amendments to the original budget when it becomes necessary.

Status:

No longer applicable.

2023-002 Late Submission of Financial Statements

Condition:

It was noted that the Village submitted its annual financial statements after the December 31, 2023, due date.

Recommendation:

The Village should produce and submit its financial statements before the statutory deadline.

Response:

The Village has taken steps to ensure that it will produce and submit its annual financial statements in a timely manner in the future.

Status:

No longer applicable.

VILLAGE OF CHOUDRANT
Justice System Funding Schedule - Receiving Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2023

	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>6/30/2023</u>
Cash Basis Presentation		
Receipts From:		
Fines - Lincoln Parish Sheriff's Office	<u>\$ 3,982</u>	<u>\$ 6,882</u>
Total Receipts	<u><u>\$ 3,982</u></u>	<u><u>\$ 6,882</u></u>

VILLAGE OF CHOUDRANT

*Independent Accountants' Report on
Applying Agreed-Upon Procedures*

For the Year Ended June 30, 2023



CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and Board of Aldermen of the Village of Choudrant, Louisiana
and the Louisiana Legislative Auditor:

We 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, 2022, through June 30, 2023. The Village of Choudrant's management is responsible for those C/C areas identified in the SAUPs.

The Village of Choudrant 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, 2022, through June 30, 2023. 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:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:¹
 - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***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.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***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.,

¹ For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. ***Credit Cards (and debit cards, fuel cards, purchase 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).
- ix. ***Ethics***², including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 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.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. ***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.
- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: The Village does not have written policies and procedures for the 2023 fiscal year.

2) Board or Finance Committee³

- A. 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

² The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

³ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

- i. 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.
- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds⁴, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii. 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.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.⁶

Findings: No exceptions noted.

3) *Bank Reconciliations*

- A. Obtain a listing of entity 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 accounts⁷ (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 each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a 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
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

⁴Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

⁵ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

⁶ No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.

⁷ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

Findings: Three exceptions noted where there was no evidence that management had researched the status of outstanding items older than twelve months.

4) Collections (excluding electronic funds transfers)⁸

- A. Obtain a listing of deposit sites⁹ 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).
- B. For each deposit site selected, obtain a listing of collection locations¹⁰ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also 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; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. 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 in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:
 - i. Observe that receipts are sequentially pre-numbered.¹¹
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

⁸ The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

⁹ A deposit site is a physical location where a deposit is prepared and reconciled.

¹⁰ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.

¹¹ The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt¹² 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).
- v. Trace the actual deposit per the bank statement to the general ledger.

Findings: Four exceptions noted where the deposit was not supported by a receipt, therefore, we were unable to determine whether it was deposited within one business day of receipt at the collection location.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. 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).
- B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. 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;
 - iv. 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; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5A 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
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

¹² As required by Louisiana Revised Statute 39:1212.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Findings: No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards¹³. Obtain management's representation that the listing is complete.
- B. 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
 - i. Observe whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection)¹⁴. 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

¹³ Including cards used by school staff for either school operations or student activity fund operations.

¹⁴ For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

Findings: Three exceptions noted where the transaction was not supported by a receipt.

7) *Travel and Travel-Related Expense Reimbursements*¹⁵ (excluding card transactions)

- A. 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 and 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
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. 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 Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: No exceptions noted.

8) *Contracts*

- A. 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. *Alternatively, 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
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹⁶ (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

¹⁵ Non-travel reimbursements are not required to be inspected under this category.

¹⁶ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

- iv. 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.

Findings: No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials¹⁷ employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials¹⁸ documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. 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.

Findings: While leave documentation is maintained, daily attendance records are not kept for salaried employees.

¹⁷ "Officials" would include those elected, as well as board members who are appointed.

¹⁸ Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

10) *Ethics*¹⁹

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Findings: One exception noted where an employee did not have documentation demonstrating that they had completed the required ethics training.

11) *Debt Service*²⁰

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. 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).

Findings: The Village does not have any debt instruments. This procedure is not applicable.

12) *Fraud Notice*²¹

- A. 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 as required by R.S. 24:523.

¹⁹ The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

²⁰ This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

²¹ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs and the notice is available for download at www.la.gov/hotline

- B. 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.

Findings: No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
 - i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. 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.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Findings: We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment²²

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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 as required by R.S. 42:343.
- B. 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).

²² While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.

- C. 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 the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Findings: Three exceptions noted where employees did not have documentation demonstrating that they had completed the required sexual harassment training.

Management's Response

We agree with the results of the procedures and will address the identified exceptions.

We were engaged by the Village of Choudrant to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were 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, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Village of Choudrant and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our 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.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
January 30, 2025