

Village of Choudrant

Financial Statements
For The Year Ended June 30, 2021



**Village of Choudrant
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For The Year Ended June 30, 2021**

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Board of Aldermen of
Choudrant, Louisiana

We have audited the accompanying financial statements of the governmental activities, 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, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Choudrant, Louisiana, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-8 and 28-29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Choudrant's basic financial statements. The accompanying other financial information consisting of the schedule of compensation, reimbursements, benefits, and other payments to agency head on page 30, and the accompanying Act 87 Justice System Funding Schedule – Receiving Entity on page 37, is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2022, on our consideration of the Village of Choudrant, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Choudrant, Louisiana's internal control over financial reporting and compliance.

Cameron, Hines & Company (APAC)

**Village of Choudrant
Management's Discussion and Analysis
For The Year Ended June 30, 2021**

Our discussion and analysis of the Village of Choudrant, Louisiana provides an overview of the Village's activities for the year ended June 30, 2021. 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, 2021 by \$4,083,217. Of this amount, \$656,879 is unrestricted. The assets exceeded its liabilities at June 30, 2020 by \$4,208,901. Of this amount, \$761,449 is unrestricted.
- The Village's total net position decreased by \$125,684 for the fiscal year ended June 30, 2021. This is a result of a \$32,894 increase in governmental activities and a \$158,578 decrease in business-type activities operations. The Village's total net position decreased by \$185,079 for the fiscal year ended June 30, 2020. This is a result of a \$45,931 decrease in governmental activities and a \$139,148 decrease in business-type activities operations.
- The Village's governmental funds reported combined ending fund balances of \$704,365 at June 30, 2021. The Village's governmental funds reported combined ending fund balances of \$710,136 at June 30, 2020.
- The unassigned fund balance of the general fund was \$649,157 at June 30, 2021, or 114.87% of the total general fund expenditures. The unreserved fund balance of the general fund was \$650,505 at June 30, 2020, or 146.95% of the total general fund expenditures.
- The general fund reported a deficiency of revenues over expenditures of \$20,538 before transfers, and a deficiency of revenues over expenditures of \$1,348 after transfers for the fiscal year ended June 30, 2021. The general fund reported an deficiency of revenues over expenditures of \$19,018 before transfers, and a \$13,687 excess of revenues over expenditures after transfers for the fiscal year ended June 30, 2020.

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, 2021**

- 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, 2021**

- **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 2020-2021 fiscal year decreased by \$125,684. The table shows the statement of net assets for the year ending 2021 and the year ending 2020. 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	
	2021	2020	2021	2020	2021	2020
<u>Assets</u>						
Current & Other	\$ 711,453	\$ 716,574	\$ 203,796	\$ 292,299	\$ 915,249	\$ 1,008,873
Capital	2,037,692	1,999,027	1,717,406	1,838,912	3,755,098	3,837,939
Total Assets	\$ 2,749,145	\$ 2,715,601	\$ 1,921,202	\$ 2,131,211	\$ 4,670,347	\$ 4,846,812
<u>Liabilities</u>						
Current & Other	\$ 7,088	\$ 6,438	\$ 132,643	\$ 133,820	\$ 139,731	\$ 140,258
Long-term	-	-	447,399	497,653	447,399	497,653
Total Liabilities	7,088	6,438	580,042	631,473	587,130	637,911
<u>Net Position</u>						
Invested in Capital Assets, net of debt	2,037,692	1,999,027	1,219,753	1,448,425	3,257,445	3,447,452
Unrestricted	704,365	710,136	121,407	51,313	825,772	761,449
Total Net Position	\$ 2,742,057	\$ 2,709,163	\$ 1,341,160	\$ 1,499,738	\$ 4,083,217	\$ 4,208,901

**Village of Choudrant
Management's Discussion and Analysis
For The Year Ended June 30, 2021**

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 \$4,083,217 at the close of the fiscal year. The largest portion of the Village's net assets (80%) 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 \$32,894 during the fiscal year ended June 30, 2021, and \$45,931 for the fiscal year ended June 30, 2020.

Business-type Activities

Net position of the Village's business-type activities decreased \$158,578 and \$139,148 during the fiscal years ended June 30, 2021 and 2020, respectively.

Statement of Activities

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

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
REVENUES:						
Program Revenues						
Charges for Services	\$ 44,012	\$ 46,315	\$ 367,996	\$ 409,587	\$ 412,008	\$ 455,902
Grants and Contributions	145,422	67,385	12,375	-	157,797	67,385
General Revenues						
Sales Tax	333,946	279,329	-	-	333,946	279,329
Franchise Fees	29,204	26,359	-	-	29,204	26,359
Occupational Licenses	68,513	70,038	-	-	68,513	70,038
Permit Revenue	12,075	15,538	-	-	12,075	15,538
Miscellaneous	55	2,526	-	-	55	2,526
Interest Earned	4,248	3,660	774	906	5,022	4,566
Total Revenues	637,475	511,150	381,145	410,493	1,018,620	921,643
EXPENSES:						
General Government	283,449	277,670	-	-	283,449	277,670
Public Safety	184,937	178,113	-	-	184,937	178,113
Public Works	120,644	99,816	-	-	120,644	99,816
Culture & Recreation	7,646	7,835	-	-	7,646	7,835
Utilities	-	-	547,628	543,288	547,628	543,288
Total Expenses	596,676	563,434	547,628	543,288	1,144,304	1,106,722
Increase (Decrease) in Net Assets						
Before Transfers	40,799	(52,284)	(166,483)	(132,795)	(125,684)	(185,079)
Transfers	(7,905)	6,353	7,905	(6,353)	-	-
Increase (Decrease) in Net Assets	32,894	(45,931)	(158,578)	(139,148)	(125,684)	(185,079)
Net Assets Beginning of Year	2,709,163	2,755,094	1,499,738	1,638,886	4,208,901	4,393,980
Net Assets End of Year	\$ 2,742,057	\$ 2,709,163	\$ 1,341,160	\$ 1,499,738	\$ 4,083,217	\$ 4,208,901

**Village of Choudrant
Management's Discussion and Analysis
For The Year Ended June 30, 2021**

Governmental Activities

During the fiscal years ended June 30, 2021 and 2020, the major sources of income were:

	<u>2021</u>	<u>2020</u>
• Sales Tax	52%	55%
• Franchise Fees	5%	5%
• Occupational Licenses	11%	14%
• Grants and Contributions	23%	13%
• Charges for Services	7%	9%

Business-type Activities

Total revenues from business-type activities were \$381,145 for the fiscal year ended June 30, 2021. This decreased \$29,348 from last year. Expenses for the Village's business-type activities were \$547,628. The business-type activities had a net operating loss of \$166,483. Net position decreased \$158,578 after transfers in of \$7,905.

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 \$704,365 at June 30, 2021.

The General fund is the chief operating fund of the Village. The unassigned fund balance at June 30, 2021 was \$649,157. Unassigned fund balance represents 114.87% 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 \$1,341,160. The fund had an operating loss of \$179,632 before non-operating revenues of \$13,149 and operating transfers-in of \$7,905.

**Village of Choudrant
Management's Discussion and Analysis
For The Year Ended June 30, 2021**

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, 2020 amounted to \$3,755,098 (net of depreciation). This investment includes land, buildings and improvements, equipment, vehicles, water and sewer facilities. The outstanding debt of \$497,653 is for revenue bonds.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village's management and elected officials considered many factors when preparing the 2021-2022 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, 2021

Assets	Governmental Activities	Business-Type Activities	Total
Cash and Cash Equivalents	\$ 160,275	\$ 14,408	\$ 174,683
Investments	479,275	163,407	642,682
Receivables	51,263	33,010	84,273
Internal Balances	7,029	(7,029)	-
Other Assets	13,611	-	13,611
Capital Assets			
Land, Improvements, and Construction in Progress	894,864	10,281	905,145
Other Capital Assets, Net of Depreciation	1,142,828	1,707,125	2,849,953
Total Assets	\$ 2,749,145	\$ 1,921,202	\$ 4,670,347
Liabilities and Net Position			
Liabilities			
Accounts Payable and Accrued Expenses	\$ 7,088	\$ 9,871	\$ 16,959
Accrued Interest	-	4,895	4,895
Customer Deposits	-	67,623	67,623
Long-Term Liabilities			
Notes Payable - Due Within One Year	-	50,254	50,254
Notes Payable - Due In More Than One Year	-	447,399	447,399
Total Liabilities	7,088	580,042	587,130
Net Position			
Invested in Capital Assets, Net of Related Debt	2,037,692	1,219,753	3,257,445
Restricted For:			
Debt Service	-	168,893	168,893
Unrestricted	704,365	(47,486)	656,879
Total Net Position	2,742,057	1,341,160	4,083,217
Total Liabilities and Net Position	\$ 2,749,145	\$ 1,921,202	\$ 4,670,347

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

**Village of Choudrant
Statement of Activities
For The Year Ended June 30, 2021**

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 283,449	\$ -	\$ -	\$ 5,777
Public Safety	184,937	4,134	1,000	12,000
Public Works	120,644	39,878	73,762	52,883
Culture and Recreation	7,646	-	-	-
Total Governmental Activities	<u>\$ 596,676</u>	<u>\$ 44,012</u>	<u>\$ 74,762</u>	<u>\$ 70,660</u>
Business-Type Activities:				
Water and Sewer	\$ 547,628	\$ 367,996	\$ -	\$ 12,375
Total Business-Type Activities	<u>\$ 547,628</u>	<u>\$ 367,996</u>	<u>\$ -</u>	<u>\$ 12,375</u>
Total Primary Government	<u>\$ 1,144,304</u>	<u>\$ 412,008</u>	<u>\$ 74,762</u>	<u>\$ 83,035</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
\$ (277,672)	\$ -	\$ (277,672)
(167,803)	-	(167,803)
45,879	-	45,879
(7,646)	-	(7,646)
<u>\$ (407,242)</u>	<u>\$ -</u>	<u>\$ (407,242)</u>
\$ -	\$ (167,257)	\$ (167,257)
\$ -	\$ (167,257)	\$ (167,257)
<u>\$ (407,242)</u>	<u>\$ (167,257)</u>	<u>\$ (574,499)</u>
333,946	-	333,946
29,204	-	29,204
68,513	-	68,513
12,075	-	12,075
4,248	774	5,022
55	-	55
(7,905)	7,905	-
<u>440,136</u>	<u>8,679</u>	<u>448,815</u>
32,894	(158,578)	(125,684)
2,709,163	1,499,738	4,208,901
<u>\$ 2,742,057</u>	<u>\$ 1,341,160</u>	<u>\$ 4,083,217</u>

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

**Village of Choudrant
Balance Sheet
Governmental Funds
June 30, 2021**

	General Fund	Non-Major Funds	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 119,742	\$ 40,533	\$ 160,275
Investments	442,141	37,134	479,275
Receivables	41,734	9,529	51,263
Due From Other Funds	38,888	-	38,888
Other Assets	13,611	-	13,611
Total Assets	\$ 656,116	\$ 87,196	\$ 743,312
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	\$ 6,959	\$ 129	\$ 7,088
Due to Other Funds	-	31,859	31,859
Total Liabilities	6,959	31,988	38,947
Fund Balances			
Unassigned	649,157	55,208	704,365
Assigned	-	-	-
Total Fund Balances	649,157	55,208	704,365
 Total Liabilities and Fund Balances	 \$ 656,116	 \$ 87,196	

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

2,037,692

Net Position of Governmental Activities

\$ 2,742,057

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, 2021

	General Fund	Non-Major Funds	Total Governmental Funds
Revenues			
Taxes	\$ 333,946	\$ -	\$ 333,946
Intergovernmental	92,539	52,883	145,422
Licenses and Permits	109,792	-	109,792
Fines and Forfeitures	4,134	-	4,134
Charges for Services	-	39,878	39,878
Investment Earnings	4,100	148	4,248
Miscellaneous	55	-	55
Total Revenues	544,566	92,909	637,475
Expenditures			
General Government	272,422	-	272,422
Public Safety	182,657	-	182,657
Public Works	107,169	70,237	177,406
Culture and Recreation	2,856	-	2,856
Total Expenditures	565,104	70,237	635,341
Excess/(Deficiency) of Revenues over Expenditures	(20,538)	22,672	2,134
Other Financing Sources (Uses)			
Operating Transfers - In	54,190	-	54,190
Operating Transfers - Out	(35,000)	(27,095)	(62,095)
Total Other Financing Sources (Uses)	19,190	(27,095)	(7,905)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(1,348)	(4,423)	(5,771)
Fund Balances, Beginning of Year	650,505	59,631	
Fund Balances, End of Year	\$ 649,157	\$ 55,208	

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	104,482
Depreciation expense	(65,817)
	38,665
Changes in Net Position in Governmental Activities	\$ 32,894

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

**Village of Choudrant
Statement of Net Position
Proprietary Funds
June 30, 2021**

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 14,408
Receivables	33,010
Due From Other Funds	26,468
Total Current Assets	<u>73,886</u>
Noncurrent Assets:	
Restricted Cash and Investments	163,407
Bond Issue Costs, net	-
Capital Assets	
Land, Improvements	10,281
Vehicles & Work Equipment	172,548
Office Equipment	10,574
Treatment Facilities	3,263,642
Water Wells and Lines	4,475,963
Total Capital Assets	<u>7,933,008</u>
Less: Accumulated Depreciation	<u>(6,215,602)</u>
Net Capital Assets	<u>1,717,406</u>
Total Noncurrent Assets	<u>1,880,813</u>
Total Assets	<u><u>\$ 1,954,699</u></u>
Liabilities and Net Position	
Liabilities	
Current Liabilities	
Accounts Payable and Accrued Expenses	\$ 9,871
Due To Other Funds	33,497
Accrued Interest	4,895
Customer Deposits	67,623
Bonds Payable	50,254
Total Current Liabilities	<u>166,140</u>
Noncurrent Liabilities	
Bonds Payable	<u>447,399</u>
Total Noncurrent Liabilities	<u>447,399</u>
Total Liabilities	<u>613,539</u>
Net Position	
Invested in Capital Assets, Net of Related Debt	1,219,753
Restricted for Debt Service	168,893
Unrestricted	<u>(47,486)</u>
Total Net Position	<u>1,341,160</u>
Total Liabilities and Net Position	<u><u>\$ 1,954,699</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, 2021

Operating Revenues

Charges for Services:

Water Sales	289,783
Sewer Revenues	77,347
Other Water & Sewer Revenues	866
Total Operating Revenues	<u>367,996</u>

Operating Expenses

Accounting & Legal Expenses	4,472
Advertising	250
Contract Labor	14,826
Depreciation and Amortization	181,021
Insurance	2,687
Interest Expense	19,232
Materials, Repairs & Supplies	29,117
Office Supplies	306
Other Administrative	49,352
Payroll Taxes	8,146
Permit Fees	7,999
Postage	2,794
Salaries & Wages	121,037
Utilities	95,193
Vehicle Expense	11,196
Total Operating Expenses	<u>547,628</u>
Total Operating Income /(Loss)	<u>(179,632)</u>

Non Operating Revenues/(Expenses)

Interest Income	774
Grant Funds	12,375
Total Non Operating Revenues/(Expenses)	<u>13,149</u>

Net Loss Before Operating Transfers (166,483)

Operating Transfers - In/(Out) 7,905

Net Income \$ (158,578)

Net Position, Beginning of Year 1,499,738

Net Position, End of Year \$ 1,341,160

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, 2021**

	Business-Type Activities Enterprise Fund
<u>Cash Flows From Operating Activities</u>	
Receipts from Customers	\$ 383,727
Payments to Provide Services	(233,551)
Payments to Employees	(121,037)
Net Cash Provided (Used) by Operating Activities	<u>29,139</u>
<u>Cash Flows From Noncapital Financing Activities</u>	
Increase in Customer Deposits	2,507
Decrease in Restricted Assets	44,095
Operating Transfers In/(Out)	7,905
Net Cash Provided (Used) by Noncapital Financing Activities	<u>54,507</u>
<u>Cash Flows From Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	(55,145)
Grant Funds Received	12,375
Debt Service Payments	(68,464)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(111,234)</u>
<u>Cash Flows From Investing Activities</u>	
Interest Earned	774
Net Cash Provided (Used) by Investing Activities	<u>774</u>
Net Increase/(Decrease) in Cash And Cash Equivalents	<u>(26,814)</u>
Cash And Cash Equivalents, Beginning of Year	41,222
Cash And Cash Equivalents, End of Year	<u>\$ 14,408</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities	
Operating Income/(Loss)	\$ (179,632)
<i>Adjustments to Reconcile Net Loss to Net Cash Provided (Used) by Operating Activities:</i>	
Depreciation and Amortization	181,021
Interest Paid on Debt Service	19,232
Decrease in Accounts Receivable	15,731
Increase in Customer Deposits	(2,507)
Decrease in Accounts Payable and Accrued Expenses	(4,359)
Decrease in Accrued Interest	(347)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 29,139</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, 2021

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, 2021

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, 2021

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 Equivalent

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, 2021

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, 2021

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.

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

Village of Choudrant
Notes to the Financial Statements
For The Year Ended June 30, 2021

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.

The following is a schedule of the Village's cash and certificates of deposit at June 30, 2021. Differences between the Village's balances and the bank balances arise because of the net effect of deposits-in-transit and outstanding checks.

Village of Choudrant
Notes to the Financial Statements
For The Year Ended June 30, 2021

	<u>Book Balance</u>	<u>Bank Balance</u>
Cash on Deposit	\$ 174,683	\$ 208,701
Certificates of Deposit	642,682	642,682
Total	\$ <u>817,365</u>	\$ <u>851,383</u>

The Village's deposits are collateralized as follows:

FDIC Insured Deposits	\$ 458,701
Uninsured Deposits:	
Collateralized-Category 3	392,682
Total	\$ <u>851,383</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, 2021 consist of the following individual receivables and payables in the governmental fund balance sheet.

	Interfund Receivables	Interfund Payables
General Fund	\$ 38,888	\$ -
Solid Waste Fund	-	31,859
Water Fund	26,468	33,497
Totals	\$ <u>63,356</u>	\$ <u>65,356</u>

Village of Choudrant
Notes to the Financial Statements
For The Year Ended June 30, 2021

4. OPERATING TRANSFERS

Transfers in and out for all funds for the year ending June 30, 2021:

		Operating Transfers In		Operating Transfers Out
General Fund	\$	54,190	\$	35,000
Solid Waste Fund		-		27,095
Water Fund		35,000		27,095
Totals	\$	89,190	\$	89,190

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, 2021

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, 2021, the Village of Choudrant had established all of the required restricted asset accounts, and were funded as follows:

Water System Revenue Bond Sinking Fund	\$	90,720
Reserve Fund		63,173
Waterworks Depreciation & Contingency Fund		15,000
Total	\$	168,893

6. RECEIVABLES

Receivables at June 30, 2021 consisted of the following:

		Accounts		Intergovernmental		Total
General	\$	41,734	\$	-	\$	41,734
Special Revenue		9,529		-		9,529
Enterprise		33,010		-		33,010
Totals	\$	84,273	\$	-	\$	84,273

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, 2021 is \$67,623.

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, 2021

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 347 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 6/30/2020	Additions	Deletions	Balance 6/30/2021
Buildings	\$ 1,193,847	\$ -	\$ -	\$ 1,193,847
Improvements Other than Buildings	195,929	-	-	195,929
Equipment	1,032,900	27,718	-	1,060,618
Infrastructure	1,405,873	-	-	1,405,873
Construction in Progress	-	76,764	-	76,764
Total Governmental Fixed Assets	\$ 3,828,549	\$ 104,482	\$ -	\$ 3,933,031
Accumulated Depreciation	(1,829,522)	-	(65,817)	(1,895,339)
Total	\$ 1,999,027	\$ 104,482	\$(65,817)	\$ 2,037,692

Governmental activities depreciation for the fiscal year ended June 30, 2021 totaled \$65,817.

The following is a summary of proprietary fund-type assets at June 30, 2021:

	Balance 6/30/2020	Additions	Deletions	Balance 6/30/2021
Water Wells & Tanks	\$ 2,570,372	\$ -	\$ -	\$ 2,570,372
Vehicles	74,579	-	-	74,579
Sewerage Distribution System	3,089,196	-	-	3,089,196
Land	10,281	-	-	10,281
Water Well Distribution System	1,850,577	55,014	-	1,905,591
Storm Water Treatment Plant	174,446	-	-	174,446
Office Equipment	10,574	-	-	10,574
Equipment	97,969	-	-	97,969
Total	7,877,994	55,014	-	7,933,008
Accumulated Depreciation	(6,039,082)	-	(176,520)	(6,215,602)
Total	1,838,912	\$ 55,014	\$(176,520)	\$ 1,717,406

Depreciation expense on the proprietary fund totaled \$176,520 for the fiscal year.

Village of Choudrant
Notes to the Financial Statements
For The Year Ended June 30, 2021

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, 2021:

<u>Description</u>	<u>Amount of Original Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance June 30, 2020</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
Revenue Bonds	\$ 550,000	March 1, 2029	3.65%	\$ 295,765	\$ 27,982	\$ 267,783
Revenue Bonds	\$ 425,000	March 1, 2029	3.65%	<u>251,120</u>	<u>21,250</u>	<u>229,870</u>
Totals				<u>\$ 546,885</u>	<u>\$ 49,232</u>	<u>\$ 497,653</u>

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>
2022	\$ 50,253	\$ 17,442	\$ 67,695
2023	51,312	15,639	66,951
2024	52,389	13,819	66,208
2025	53,546	11,918	65,464
2026	54,725	9,996	64,721
Thereafter	<u>235,428</u>	<u>31,364</u>	<u>266,792</u>
Total	<u>\$ 497,653</u>	<u>\$ 100,178</u>	<u>\$ 597,821</u>

Bond Issuance costs totaled \$-0-, net of amortization of \$1,863 for the fiscal year ended June 30, 2021.

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, 2021**

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	\$	275
Ricky Maier		275
John Croswell, Jr.		250
Bill Sanderson, Mayor		15,000
Total	\$	15,800

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. SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through March 16, 2022, 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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues				
Taxes	\$ 300,000	\$ 300,000	\$ 333,946	\$ 33,946
Intergovernmental	28,500	28,500	92,539	64,039
Licenses and Permits	132,500	132,500	109,792	(22,708)
Fines and Forfeitures	5,500	5,500	4,134	(1,366)
Investment Earnings	200	200	4,100	3,900
Miscellaneous	100	100	55	(45)
Total Revenues	<u>466,800</u>	<u>466,800</u>	<u>544,566</u>	<u>77,766</u>
Expenditures				
General Government	267,179	267,179	272,422	(5,243)
Public Safety	150,262	150,262	182,657	(32,395)
Public Works	40,600	40,600	107,168	(66,568)
Culture and Recreation	53,000	53,000	2,856	50,144
Total Expenditures	<u>511,041</u>	<u>511,041</u>	<u>565,103</u>	<u>(54,062)</u>
Excess of Revenues over Expenditures	<u>(44,241)</u>	<u>(44,241)</u>	<u>(20,537)</u>	<u>23,704</u>
Other Financing Sources (Uses)				
Operating Transfers - In	55,200	55,200	54,189	(1,011)
Operating Transfers - Out	-	-	(35,000)	(35,000)
Total Other Financing Sources (Uses)	<u>55,200</u>	<u>55,200</u>	<u>19,189</u>	<u>(36,011)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>10,959</u>	<u>10,959</u>	<u>(1,348)</u>	<u>(12,307)</u>
Fund Balances, Beginning of Year	650,505	650,505	650,505	-
Fund Balances, End of Year	<u>\$ 661,464</u>	<u>\$ 661,464</u>	<u>\$ 649,157</u>	<u>\$ (12,307)</u>

See independent auditors' report.

Village of Choudrant
Notes To Budgetary Comparison Schedule
For The Year Ended June 30, 2021

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, 2021

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>\$ 19,598</u>

See independent auditors' report.

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

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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, 2021, 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 March 16, 2022.

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 item 2021-01.

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
March 16, 2022

**Village of Choudrant
Schedule of Findings and Responses
For The Year Ended June 30, 2021**

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, 2021, and have issued our report thereon dated March 16, 2022. 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, 2021, resulted in an unmodified opinion.

Section I- Summary of Auditors' Reports

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

	Yes	No
<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, 2021**

Section II- Financial Statement Findings

21-01 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.

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.

Section III-Federal Award Findings and Questioned Costs

This section is not applicable for this entity.

**Village of Choudrant
Schedule of Prior Year Findings
For the Year Ended June 30, 2021**

Internal Control and Compliance Material to the Financial Statements

20-01 Budget Authority and Control

Condition:

It was noted that actual revenues on the general fund were below the total budgeted revenues 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, as well as expenditures, closer as they relate to the adopted budgets and adopts amendments to the original budget when it becomes necessary.

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, 2021**

Section II- Financial Statement Findings

21-01 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.

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, 2021

Cash Basis Presentation	First Six Month Period Ended <u>12/31/2020</u>	Second Six Month Period Ended <u>6/30/2021</u>
Receipts From:		
Fines - Lincoln Parish Sheriff's Office	<u>\$ 496</u>	<u>\$ 3,558</u>
Total Receipts	<u><u>\$ 496</u></u>	<u><u>\$ 3,558</u></u>