

**VILLAGE OF NORTH HODGE, LOUISIANA**  
NORTH HODGE, LOUISIANA

**PROPRIETARY FUND**  
**PROJECTED STATEMENT OF CASH FLOWS**  
**AND ACCOUNTANT'S COMPILATION REPORT**  
**As of And for The Years Ended September 30, 2021 through 2025**

**BY**

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Honorable Kathy Robertson, Mayor,  
and Members of the Board of Aldermen  
Village of North Hodge, Louisiana

I have compiled the accompanying projected statement of cash flows of the Proprietary Fund of the Village of North Hodge, Louisiana as of September 30, 2021 through September 30, 2025 in accordance with attestation standards established by the American Institute of Certified Public Accountants. The accompanying projection and this report were prepared to assist the Louisiana State Bond Commission in evaluating the Village's application for the issuance of a bond. They should not be used for any other purpose.

A compilation is limited to presenting in the form of projection information that is the representation of management and does not include evaluation of the support for the assumptions underlying the projection. I have not examined the projection and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, even if the bond issuance is attained, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. I have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying projection and this report are intended solely for the information and use to assist the Louisiana State Bond Commission in evaluating the Village's application for the issuance of a bond and are not intended to be and should not be used by anyone other than these specified parties.

Rosie D. Harper  
Certified Public Accountant  
Monroe, Louisiana

October 16, 2020

**PROJECTED FINANCIAL STATEMENT**

VILLAGE OF NORTH HODGE, LOUISIANA

Statement of Projected Cash Flows  
 Proprietary Funds  
 September 30, 2021 through September 30, 2025

	<u>09/30/21</u>	<u>09/30/22</u>	<u>09/30/23</u>	<u>09/30/24</u>	<u>09/30/25</u>	<u>Total</u>
<b>Cash Flows from Operating Activities</b>						
Cash Received from Customers	\$ 152,218	\$ 152,218	\$ 152,218	\$ 152,218	\$ 152,218	\$ 761,090
Cash from Capital Grants	27,500	27,500	27,500	27,500	27,500	137,500
Other Cash Received	1,314	1,314	1,314	1,314	1,314	6,570
Cash Paid to Employees for Services	(51,720)	(51,720)	(51,720)	(51,720)	(51,720)	(258,600)
Cash Paid for Goods and Services	(51,745)	(51,547)	(51,547)	(51,547)	(51,547)	(257,933)
Net Cash Provided (Used) by Operating Activities	<u>77,567</u>	<u>77,765</u>	<u>77,765</u>	<u>77,765</u>	<u>77,765</u>	<u>388,627</u>
<b>Cash Flows from Non-Capital Financing Activities</b>						
Transfers to Bond Reserves	(3,901)	(4,038)	(4,038)	(4,038)	(4,038)	(20,053)
Transfers to Other General Fund	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(75,000)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(18,901)</u>	<u>(19,038)</u>	<u>(19,038)</u>	<u>(19,038)</u>	<u>(19,038)</u>	<u>(95,053)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Bond Proceeds	141,000	-	-	-	-	141,000
Principal and Interest Paid on Bond Debt	(39,013)	(40,379)	(40,379)	(40,379)	(40,379)	(200,529)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>101,987</u>	<u>(40,379)</u>	<u>(40,379)</u>	<u>(40,379)</u>	<u>(40,379)</u>	<u>(59,529)</u>
<b>Cash Flows from Investing Activities</b>						
Cash Paid for Painting Water Tank	(141,000)	-	-	-	-	(141,000)
Net Cash Provided (Used) by Investing Activities	<u>(141,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(141,000)</u>
Net Increase in Cash and Cash Equivalents	19,653	18,348	18,348	18,348	18,348	93,045
Cash and Cash Equivalents-Beginning	21,576	41,229	59,577	77,925	96,273	21,576
Cash and Cash Equivalents-Ending	<u>\$ 41,229</u>	<u>\$ 59,577</u>	<u>\$ 77,925</u>	<u>\$ 96,273</u>	<u>\$ 114,621</u>	<u>\$ 114,621</u>

See accompanying independent accountant's report and notes.

**Village of North Hodge, Louisiana**  
**Notes to Projected Financial Statements**  
**As of and for the Years Ended**  
**September 30, 2021 Through September 30, 2025**

**Summary of Significant Projection Assumptions**

The financial projection present, to the best of management’s knowledge and belief, the Village’s expected cash flows for the projected period. Accordingly, the projection reflects management’s judgment as of October 16, 2020 the date of this projection, of the expected conditions and its expected course of action. The projections are presented on a fiscal year basis for years ending September 30, 2021 through September 30, 2025. The assumptions disclosed herein are those that management believes are significant to the projection. There will usually be a difference between the projected and actual results because events and circumstances frequently do not occur as expected, and that difference may be material.

**Utility Service Income**

The Village of North Hodge, Louisiana provides water and sewer service to an average of 150 to 165 customers per month. Water rates were increased effective January 1, 2020. Management projects several streams of revenue as follows:

	Average Monthly	Average Annually
Water Charges	\$ 8,067.25	\$ 96,807.00
Sewer Charges	\$ 4,415.50	\$ 52,986.00
Miscellaneous	\$ 109.50	\$ 1,314.00
Grant Revenue	\$ -	\$ 20,000.00
Contributions from Police Jury	\$ -	\$ 7,500.00

Other than the rate increase for the water service, management does not anticipate any other significant changes in revenue in the next five years in the proprietary fund. Therefore, the revenue projections are flat over the next five years based upon the actual revenue as of the year ended September 30, 2020. There are no provisions for transfers in or out of the General Fund. Management believes the Proprietary Fund will generate adequate revenue to meet routine operational needs as well as service the debt for the existing bonds and new bond issuance.

**Expenses**

Management projects there will be no significant changes in major operating expenses. Expense projections are based upon expenses incurred for the fiscal year ended September 30, 2020.

**Village of North Hodge, Louisiana**  
**Notes to Projected Financial Statements (Continued)**

Debt Service

The Village currently has debt for \$340,000 Utilities Revenue Bonds, Series 2014, dated September 18, 2014, due in monthly installments of \$2,726 beginning October 18, 2014 for fifteen years, interest at 5.9% on \$255,000 of bonds and 3% on \$85,000; secured by revenues earned by the Village of North Hodge, Louisiana derived from the operation of the utility system. In addition to the monthly payments, the Village is required to make deposits to a bond reserve fund of \$273.

The Village is currently applying to the State Bond Commission for a bond issuance in the amount of \$141,000 for maintenance of its existing water tower. If approved, Management projects an interest rate of 2.375% with a payback period of 40 years. This will require a projected monthly payment of \$455 and a deposit to the bond reserve fund of \$46 per month.