

**VILLAGE OF NATCHEZ  
ANNUAL FINANCIAL REPORT**

**JUNE 30, 2021**

Village of Natchez  
Financial Report  
June 30, 2021

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information		
Management’s Discussion and Analysis	-	1-3
Independent Accountant’s Compilation Report	-	4
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Position	A	7
Statement of Activities	B	8
Fund Financial Statements		
Balance Sheet-Governmental Fund	C	10
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	D	11
Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Fund	E	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	F	13
Proprietary Fund		
Statement of Net Position	G	14
Statement of Revenues, Expenses, and Changes in Net Position	H	15
Statement of Cash Flows	I	16
Notes to Financial Statements	-	18-25
Other Required Supplementary Information		
Budgetary Comparison Schedule-General Fund	J	27
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	K	28
Judicial System Funding Schedule – Collecting/Disbursing Entity	L	29
Judicial System Funding Schedule – Receiving Entity	M	30
Other Reports		
Schedule of Findings	N	32

# VILLAGE OF NATCHEZ

P. O. Box 229  
Natchez, LA 71456

## MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year ended June 30, 2020

The Management's Discussion and Analysis of the Village of Natchez's financial performance presents a narrative overview and analysis of the Village's financial activities for the year ended June 30, 2021. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Village of Natchez's financial statements, which begin on page 7.

### Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. These statements tell how the services were financed in the short-term as well as what remains for future spending.

### Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities. The Village uses funds to ensure and demonstrate compliance with finance related laws and regulations. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources at the end of the year. As the Government-Wide Financial Statements includes the long-term view, comparisons between these two views may provide insight into the long-term impact of short-term financing decreases. Both the governmental funds balance sheet and the governmental funds operating statement provide a reconciliation to assist in understanding the difference between these two views.

The Village conducts its day-to-day operations through a governmental fund, the General Fund, and a business-type activity, the Village's utility system.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>						
Current Assets	\$29,059	\$ 28,294	\$ 57,353	\$15,870	\$ 10,725	\$ 26,595
Capital Assets, Net of Accumulated Depreciation	<u>18,969</u>	<u>1,208,145</u>	<u>1,227,114</u>	<u>17,427</u>	<u>1,269,928</u>	<u>1,287,355</u>
Total Assets	<u>\$48,028</u>	<u>\$1,236,439</u>	<u>\$1,284,467</u>	<u>\$33,297</u>	<u>\$1,280,653</u>	<u>\$1,313,950</u>
<b>LIABILITIES:</b>						
Current Liabilities	<u>\$25,087</u>	<u>\$ 23,510</u>	<u>\$ 48,597</u>	<u>\$22,428</u>	<u>\$ 22,710</u>	<u>\$ 45,138</u>
<b>NET POSITION:</b>						
Net Investment in Capital Assets	\$18,969	\$1,208,145	\$1,227,114	\$17,427	\$1,269,928	\$1,287,355
Unrestricted	<u>3,972</u>	<u>4,784</u>	<u>8,756</u>	<u>(6,558)</u>	<u>(11,985)</u>	<u>(18,543)</u>
Net Position	<u>\$22,941</u>	<u>\$1,212,929</u>	<u>\$1,235,870</u>	<u>\$10,869</u>	<u>\$1,257,943</u>	<u>\$1,268,812</u>

## Summary of Statement of Activities

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>REVENUES:</b>						
Program Revenues-						
Intergovernmental-						
Operating Grants	\$ 4,104	\$ 0	\$ 4,104	\$ 6,303	\$ 2,550	\$ 8,853
Charges for Services	7,414	50,846	58,260	18,098	50,594	68,692
General Revenues	109,017	8	109,025	76,920	4	76,924
Transfers In	<u>350</u>	<u>0</u>	<u>350</u>	<u>1,677</u>	<u>0</u>	<u>1,677</u>
Total Revenues	<u>\$120,885</u>	<u>\$ 50,854</u>	<u>\$ 171,739</u>	<u>\$102,998</u>	<u>\$ 53,148</u>	<u>\$ 156,146</u>
<b>EXPENSES:</b>						
General Government	\$105,808	\$ 0	\$ 105,808	\$ 90,478	\$ 0	\$ 90,478
Public Safety	3,005	0	3,005	1,074	0	1,074
Operating Expense	0	95,518	95,518	0	112,031	112,031
Transfers Out	<u>0</u>	<u>350</u>	<u>350</u>	<u>0</u>	<u>1,677</u>	<u>1,677</u>
Total Expenses	<u>\$108,813</u>	<u>\$ 95,868</u>	<u>\$ 204,681</u>	<u>\$ 91,552</u>	<u>\$ 113,708</u>	<u>\$ 205,260</u>
Change in Net Position	\$ 12,072	\$ (45,014)	\$ (32,942)	\$ 11,446	\$ (60,560)	\$ (49,114)
Net Position July 1, 2020	<u>10,869</u>	<u>1,257,943</u>	<u>1,268,812</u>	<u>(577)</u>	<u>1,318,503</u>	<u>1,317,926</u>
Net Position June 30, 2021	<u>\$ 22,941</u>	<u>\$1,212,929</u>	<u>\$1,235,870</u>	<u>\$ 10,869</u>	<u>\$1,257,943</u>	<u>\$1,268,812</u>

*Governmental Activities*

- The Village's assets exceeded its liabilities by \$22,941 for the year ending June 30, 2021. This is an increase of \$12,072 from the prior year.

*Business Type Activities*

- The Proprietary Fund, the sewer system, had a decrease in net position of \$45,014 for the year ending June 30, 2021. This compares to a decrease of \$60,560 for the prior year.

General Fund Budgetary Highlights

The actual revenues were \$5,335 more than the budgeted amount for the year and actual expenditures were \$2,955 more than the budgeted amount for the year.

Economic Factors and Next Year's Budget

The budget for FY 2021/2022 should not significantly differ from FY 2020/2021.

Contacting the Village

This financial report is designed to provide our citizens and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Village of Natchez, P. O. Box 229, Natchez, LA 71456.

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation  
Roger M. Cunningham, CPA – A Professional Corporation  
Jessica H. Broadway, CPA – A Professional Corporation  
Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street  
Natchitoches, Louisiana 71457  
(318) 352-3652  
Fax (318) 352-4447  
[www.tcbtcoa.com](http://www.tcbtcoa.com)

**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

Mayor and Board of Aldermen  
Village of Natchez  
P. O. Box 229  
Natchez, LA 71456

Management is responsible for the accompanying financial statements of the governmental activities, the business-type activities and major funds of the Village of Natchez 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, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to the agency head, political subdivision head, or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement, but we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following supplementary information on pages 1 through 3 and page 27 be presented to supplement the basic financial statements:

Management's Discussion and Analysis  
Budgetary Comparison Schedule

Such information is presented for purposes of additional analysis and, although not a required 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. This information is the representation of management. We have not performed an audit, review, or compilation on the required supplementary information and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on such information.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier, CPA's  
Natchitoches, Louisiana

December 13, 2021

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS



Village of Natchez  
Statement of Net Position  
June 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Current Assets-			
Cash & Cash Equivalents	\$22,351	\$ 16,540	\$ 38,891
Accounts Receivable (net)	6,658	11,754	18,412
Deposits	<u>50</u>	<u>0</u>	<u>50</u>
Total Current Assets	\$29,059	\$ 28,294	\$ 57,353
Noncurrent Assets-			
Capital Assets (net)	<u>18,969</u>	<u>1,208,145</u>	<u>1,227,114</u>
Total Assets	<u>\$48,028</u>	<u>\$1,236,439</u>	<u>\$1,284,467</u>
<b>LIABILITIES:</b>			
Current Liabilities-			
Accounts Payable	<u>\$25,087</u>	<u>\$ 23,510</u>	<u>\$ 48,597</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	\$18,969	\$1,208,145	\$1,227,114
Unrestricted (Deficit)	<u>3,972</u>	<u>4,784</u>	<u>8,756</u>
Total Net Position	<u>\$22,941</u>	<u>\$1,212,929</u>	<u>\$1,235,870</u>

See accompanying notes and independent accountant's compilation report.

Village of Natchez  
Statement of Activities  
June 30, 2021

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$105,808	\$ 2,650	\$4,104	\$0	\$ (99,054)	\$ 0	\$ (99,054)
Public Safety	<u>3,005</u>	<u>4,764</u>	<u>0</u>	<u>0</u>	<u>1,759</u>	<u>0</u>	<u>1,759</u>
	\$108,813	\$ 7,414	\$4,104	\$0	\$ (97,295)	\$ 0	\$ (97,295)
Business-Type Activities:							
Sewer	<u>95,518</u>	<u>50,846</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(44,672)</u>	<u>(44,672)</u>
Total Government	<u>\$204,331</u>	<u>\$58,260</u>	<u>\$4,104</u>	<u>\$0</u>	<u>\$ (97,295)</u>	<u>\$ (44,672)</u>	<u>\$ (141,967)</u>
General Revenues:							
					\$107,558	\$ 0	\$ 107,558
					22	8	30
					1,437	0	1,437
					<u>350</u>	<u>(350)</u>	<u>0</u>
					Total General Revenues & Transfers	\$ <u>(342)</u>	\$ <u>109,025</u>
					Change in Net Position	\$ 12,072	\$ (32,942)
					Net Position July 1, 2020	<u>10,869</u>	<u>1,257,943</u>
					Net Position June 30, 2021	<u>\$ 22,941</u>	<u>\$1,235,870</u>

See accompanying notes and independent accountant's compilation report.

## FUND FINANCIAL STATEMENTS

Village of Natchez  
Balance Sheet-Governmental Fund  
June 30, 2021

	<u>General Fund</u>
ASSETS:	
Cash & Cash Equivalents	\$22,351
Accounts Receivable	6,658
Deposits	<u>50</u>
Total Assets	<u>\$29,059</u>
LIABILITIES:	
Accounts Payable	\$25,087
FUND BALANCE:	
Unassigned	<u>3,972</u>
Total Liabilities and Fund Balance	<u>\$29,059</u>

See accompanying notes and independent accountant's compilation report.

Village of Natchez  
Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Position  
June 30, 2021

Total Fund Balance for the Governmental Fund at June 30, 2021		\$ 3,972
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:		
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:		
Land, Equipment, Buildings, and Vehicles	89,681	
Less: Accumulated Depreciation	<u>(70,712)</u>	
		<u>18,969</u>
Total Net Position of Governmental Activities at June 30, 2021		<u>\$22,941</u>

See accompanying notes and independent accountant's compilation report.

Village of Natchez  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Year Ended June 30, 2021

	<u>General Fund</u>
REVENUES:	
Taxes	\$107,558
Licenses and Permits	2,380
Intergovernmental	4,104
Charges for Services	270
Fines & Forfeits	4,764
Interest Income	22
Miscellaneous	<u>1,437</u>
Total Revenues	<u>\$120,535</u>
EXPENDITURES:	
Current-	
General Government	\$107,750
Public Safety	<u>2,605</u>
Total Expenditures	<u>\$110,355</u>
Excess of Revenues over Expenditures	<u>\$ 10,180</u>
OTHER FINANCING SOURCES:	
Transfer In – Utility Fund	<u>\$ 350</u>
Excess of Revenues over Expenditures and Other Financing Sources	<u>\$ 10,530</u>
Fund Balance-Beginning of Year	<u>(6,558)</u>
Fund Balance-End of Year	<u>\$ 3,972</u>

See accompanying notes and independent accountant's compilation report.

Village of Natchez  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of the Governmental Fund  
to the Statement of Activities  
for the Year Ended June 30, 2021

Total Net Change in Fund Balance at June 30, 2021, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$10,530
The Change in Net Position reported for Governmental Activities in the Statement of Activities is different because:	
Depreciation Expense is reported in the government- wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds. Current year depreciation expense is	(2,458)
General Funds report Capital Outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of capital assets recorded in the current period is	<u>4,000</u>
Total changes in Net Position at June 30, 2021, per Statement of Activities	<u>\$12,072</u>

See accompanying notes and independent accountant's compilation report.

Village of Natchez  
Statement of Net Position  
Proprietary Fund  
Year Ended June 30, 2021

ASSETS:	
Current Assets:	
Cash & Cash Equivalents	\$ 16,540
Accounts Receivable (Net)	<u>11,754</u>
Total Current Assets	\$ 28,294
Noncurrent Assets:	
Capital Assets (Net)	<u>1,208,145</u>
Total Assets	<u>\$1,236,439</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ <u>23,510</u>
NET POSITION:	
Net Investment in Capital Assets	\$1,208,145
Unrestricted	<u>4,784</u>
Total Net Position	<u>\$1,212,929</u>

See accompanying notes and independent accountant's compilation report.



Village of Natchez  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Fund  
For the Year Ended June 30, 2021

OPERATING REVENUES:	
Charges for Services	\$ <u>50,846</u>
OPERATING EXPENSES:	
Depreciation	\$ 61,784
Contract Labor	20,675
Repairs & Maintenance	5,674
Supplies	1,674
Other	<u>5,711</u>
Total Operating Expenses	\$ <u>95,518</u>
Operating Loss	\$ <u>(44,672)</u>
NON-OPERATING REVENUES:	
Interest Income	\$ <u>8</u>
Income (Loss) Before Transfers	\$ <u>(44,664)</u>
TRANSFERS:	
Transfer Out	\$ <u>(350)</u>
Change in Net Position	\$ (45,014)
Net Position - Beginning of Year	<u>1,257,943</u>
Net Position - End of Year	<u>\$1,212,929</u>

See accompanying notes and independent accountant's compilation report.

Village of Natchez  
Statement of Cash Flows  
Proprietary Fund  
June 30, 2020

	<u>Business Type Activities</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 43,997
Cash paid to suppliers	(12,260)
Cash paid to contractors	<u>(20,675)</u>
Net Cash Provided by Operating Activities	<u>\$ 11,062</u>
Cash Flows from Capital and Related Financing Activities:	
Proceeds from Capital Grants	\$ <u>    0</u>
Cash Flows from Non-Capital and Related Financing Activities:	
Transfer to Other Funds	\$ <u>(350)</u>
Cash Flows from Investing Activities:	
Interest Income	\$ <u>    8</u>
Net Increase in Cash and Cash Equivalents	\$ 10,720
Cash and Cash Equivalents at Beginning of Year	<u>    5,820</u>
Cash and Cash Equivalents at End of Year	<u>\$ 16,540</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Income (Loss) from Operations	\$(44,672)
ADJUSTMENTS TO RECONCILE INCOME FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Depreciation	61,784
Changes in Assets and Liabilities-	
(Increase) Decrease in Net Accounts Receivable	(6,849)
Increase (Decrease) in Accounts Payable	<u>    799</u>
Net Cash Provided by Operating Activities	<u>\$ 11,062</u>

See accompanying notes and independent accountant's compilation report.

## NOTES TO FINANCIAL STATEMENTS

Village of Natchez  
Notes to Financial Statements  
June 30, 2021

Introduction:

The Village of Natchez, Louisiana was incorporated under the provisions of the Lawrason Act. The Village operates under an elected Mayor-Board of Aldermen form of government and provides the following services as authorized by its charter: public safety (police), streets, sanitation, utilities and general administrative services.

1. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

The Village is the basic level of government which has financial accountability and control over all activities related to the Village operations and services provided. The Village is not included in any other governmental “reporting entity” as defined by GASB pronouncements, since the Village Mayor and Board of Aldermen are elected by the public and have decision making authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, which are included in the Village’s reporting entity.

The financial statements of the Village of Natchez are prepared in accordance with generally accepted accounting principles (GAAP). The Village of Natchez’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

B. BASIS OF PRESENTATION-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Village’s governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. FUND ACCOUNTING-

The accounts of the Village are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

Village of Natchez  
Notes to Financial Statements  
June 30, 2021

The Village maintains two funds, one as a governmental fund and one proprietary fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Village are described below:

Governmental Fund-

General Fund

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary Fund-

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Village's enterprise fund is the Sewer Fund.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Village of Natchez  
Notes to Financial Statements  
June 30, 2021

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers all revenues “available” if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. CASH AND INTEREST-BEARING DEPOSITS-

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Village. For the purpose of the proprietary fund Statement of Cash Flows, “Cash and Cash Equivalents” include all demand and savings accounts, and certificates of deposit.

F. CAPITAL ASSETS-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

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

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	3-11 years
Utility system and improvements	10-50 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

G. COMPENSATED ABSENCES-

The vested or accumulated vacation leave of the Village’s employees has not been recorded. The amount of accumulated benefits in excess of one year’s normal amount would be immaterial. Unused vacation time lapses at the end of each calendar year.

Village of Natchez  
Notes to Financial Statements  
June 30, 2021

In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

#### H. EQUITY CLASSIFICATIONS-

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net resources are available, the Village applies unrestricted net resources first, unless a determination is made to use restricted net resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by the Village at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Non-spendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose.

The General Fund has an unassigned deficit fund balance of \$6,561. If applicable, the Village would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

Village of Natchez  
Notes to Financial Statements  
June 30, 2021

I. ESTIMATES-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

J. OPERATING REVENUES AND EXPENSES-

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing noncapital financing, or investing activities.

K. EXPENDITURES/EXPENSES-

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character  
Proprietary Fund - By Operating and Non-Operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

L. BUDGET-

Prior to the beginning of each fiscal year, the Village adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

M. INVENTORIES-

Purchases of various operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

N. BAD DEBTS AND ALLOWANCES-

Allowance for uncollectible amounts due for customers' utility receivables are recognized as doubtful accounts at the time they become more than 90 days old. At June 30, 2021, there was an Allowance for Doubtful Accounts totaling \$23,951.

2. Cash and Cash Equivalents:

At June 30, 2021, the Village had \$38,974 in deposits (collected bank balances). These deposits were secured from risk by federal deposit insurance.



Village of Natchez  
Notes to Financial Statements  
June 30, 2021

3. Property Taxes:

The Village levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the Village on property values assessed by the Natchitoches Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

Village property tax revenues are recognized when levied and are recorded as current receivables.

The property tax calendar is as follows:

Assessment Date	January 1
Levy Date	June 1
Tax Bills Mailed	November 15
Total Taxes are Due	December 31
Penalties and Interest are added	January 1
Lien Date	No Set Policy
Tax Sale	No Set Policy

Property taxes levied for the current year are recognized as revenues, even though a portion is collectible in the period subsequent to the levy year. Assessed values are established by the Natchitoches Parish Tax Assessor each year on a uniform basis at the following percent of fair market value:

Land	10%
Residential	10%
Industrial	15%
Machinery	15%
Commercial	15%
Public Service (excluding land)	25%

A revaluation of all property is required to be completed no less than every four years. A revaluation was completed for the tax roll of January 1, 2020.

Tax collections for the year were \$3,189.

4. Receivables:

The following is a summary of receivables at June 30, 2021:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Proprietary Fund</u>
Taxes	\$6,658	\$ 0
Sales	<u>0</u>	<u>11,754</u>
	<u>\$6,658</u>	<u>\$11,754</u>

5. Sales Tax Revenue:

The voters of Natchez passed a one percent (1%) sales and use tax. The proceeds of the sales tax are to be used for any lawful corporate purpose. Collections for the year ended June 30, 2021, were \$58,761, and were used for General Fund operations.

Village of Natchez  
Notes to Financial Statements  
June 30, 2021

6. Capital Assets:

Capital asset activity for the year ended June 30, 2021, is as follows:

Governmental Activities	Balance 07-01-20	Additions	Deletions	Balance 06-30-21
Capital Assets Not Depreciated:				
Land	\$ 1,600	\$ 0	\$0	\$ 1,600
Capital Assets Depreciated:				
Office Furniture, Fixtures & Equipment	58,714	0	0	58,714
Vehicles	<u>25,367</u>	<u>4,000</u>	<u>0</u>	<u>29,367</u>
Total Assets, Cost	\$ <u>85,681</u>	\$ <u>4,000</u>	\$0	\$ <u>89,681</u>
Less, Accumulated Depreciation:				
Office Furniture, Fixtures & Equipment	\$ 44,387	\$ 1,858	\$0	\$ 46,245
Vehicles	<u>23,867</u>	<u>600</u>	<u>0</u>	<u>24,467</u>
Total Accumulated Depreciation	\$ <u>68,254</u>	\$ <u>2,458</u>	\$0	\$ <u>70,712</u>
Net Capital Assets	\$ <u>17,427</u>	\$ <u>1,542</u>	\$0	\$ <u>18,969</u>

Business-Type Activities	Balance 07-01-20	Additions	Deletions	Balance 06-30-21
Capital Assets Not Depreciated:				
Land	\$ 9,197	\$ 0	\$0	\$ 9,197
Capital Assets Depreciated:				
Sewer System	<u>2,497,310</u>	<u>0</u>	<u>0</u>	<u>2,497,310</u>
Total Assets, Cost	\$ <u>2,506,507</u>	\$ <u>0</u>	\$0	\$ <u>2,506,507</u>
Less, Accumulated Depreciation:				
Sewer System	\$ <u>1,236,578</u>	\$ <u>61,784</u>	\$0	\$ <u>1,298,362</u>
Net Capital Assets	\$ <u>1,269,929</u>	\$ <u>(61,784)</u>	\$0	\$ <u>1,208,145</u>

Depreciation expense of \$2,058 was charged to the general government function, \$400 to the public safety function, and \$61,784 was charged to the business-type activities.

7. Compensation Paid to the Mayor and Board of Aldermen:

During 2021, the following amounts were paid to the Mayor and Board of Aldermen:

Rosia Humphrey-Mayor	\$ 5,375
Amos Bradley	2,375
Sheila Johnson	2,375
Sheila Johnson	<u>2,375</u>
Total	<u>\$12,500</u>

Village of Natchez  
Notes to Financial Statements  
June 30, 2021

8. Risk Management:

Village of Natchez is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village.

9. Related Parties:

The Village had no identified related party transactions for the year ended June 30, 2021.

10. Contingencies:

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Village operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Village anticipates this could negatively affect its operation results, the related financial impact and duration cannot be reasonably estimated at this time.

11. Subsequent Events:

Management has evaluated events through December 13, 2021, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED  
SUPPLEMENTARY INFORMATION

Village of Natchez  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2021

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Taxes	\$50,000	\$102,200	\$ 107,558	\$ 5,358
Licenses and Permits	1,950	2,300	2,380	80
Intergovernmental	0	4,100	4,104	4
Charges for Services	2,500	0	270	270
Fines and Forfeits	10,200	4,600	4,764	164
Interest Income	0	0	22	22
Miscellaneous	<u>1,000</u>	<u>2,000</u>	<u>1,437</u>	<u>(563)</u>
Total Revenues	<u>\$65,650</u>	<u>\$115,200</u>	<u>\$120,535</u>	<u>\$ 5,335</u>
EXPENDITURES:				
Current-				
General Government	\$54,900	\$ 96,200	\$107,750	\$(11,550)
Public Safety	<u>10,750</u>	<u>11,200</u>	<u>2,605</u>	<u>8,595</u>
Total Expenditures	<u>\$65,650</u>	<u>\$107,400</u>	<u>\$110,355</u>	<u>\$ (2,955)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>0</u>	\$ <u>7,800</u>	\$ <u>10,180</u>	\$ <u>2,380</u>
OTHER REVENUES AND (EXPENSES)				
Transfer from Sewer Fund	\$ <u>0</u>	\$ <u>350</u>	\$ <u>350</u>	\$ <u>0</u>
Deficiency of Revenues and Other Revenues over Expenditures	\$ 0	\$ 7,450	\$ 10,530	\$ 2,380
Fund Balance-Beginning of Year	<u>(6,558)</u>	<u>(6,558)</u>	<u>(6,558)</u>	<u>0</u>
Fund Balance-End of Year	<u>\$(6,558)</u>	<u>\$ 892</u>	<u>\$ 3,972</u>	<u>\$ 2,380</u>

See accompanying independent accountant's compilation report.

Village of Natchez  
Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
For the Year Ended June 30, 2021

Agency Head Name: Rosia Humphrey, Mayor

<u>Purpose</u>	<u>Amount</u>
Per Diem	\$5,375
Reimbursements	101
Travel & Training	1,880

See accompanying independent accountant's compilation report.

Village of Natchez  
Justice System Funding Schedule – Collecting/Disbursing Entity  
For the Year Ended June 30, 2021

**Justice System Funding Schedule – Collecting/Disbursing Entity**

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information		
Entity Name	Village of Natchez	
LLA Entity ID #	2416	
Date that reporting period ended	June 30, 2021	
<b>Cash Basis Presentation</b>	<b>First Six Month Period Ended 12/31/2020</b>	<b>Second Six Month Period Ended 6/30/2021</b>
<b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	\$ <u>0</u>	\$ <u>0</u>
<b>Add: Collections</b>		
Criminal Fines – Other	2,342	2,386
<b>Subtotal Collections</b>	<b>\$2,342</b>	<b>\$2,386</b>
<b>Less: Disbursements to Governments &amp; Nonprofits:</b>		
<b>Less: Amounts Retained by Collection Agency</b>		
Amounts “Self-Disbursed” to Collecting Agency, Criminal Fines – Other	2,342	2,386
<b>Less: Disbursements to Individuals/3<sup>rd</sup> Party Collection or Processing Agencies</b>		
None	<u>0</u>	<u>0</u>
<b>Subtotal Disbursements/Retainage</b>	<b>\$2,342</b>	<b>\$2,386</b>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>	<b>\$ <u>0</u></b>	<b>\$ <u>0</u></b>
<b>Ending Balance of “Partial Payments” Collected but not Disbursed</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Other Information:</b>		
Ending Balance of Total Amounts Assessed but not yet Collected	\$ 0	\$ 0
Total Waivers During the Fiscal Period	0	0

See accompanying independent accountant’s compilation report.

Village of Natchez  
Justice System Funding Schedule – Receiving Entity  
For the Year Ended June 30, 2021

**Justice System Funding Schedule – Receiving Entity**

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information		
Entity Name	Village of Natchez	
LLA Entity ID #	2416	
Date that reporting period ended	June 30, 2021	
<b>Cash Basis Presentation</b>	<b>First Six Month Period Ended 12/31/2020</b>	<b>Second Six Month Period Ended 6/30/2021</b>
<b>Receipts From:</b>		
LA Department of Motor Vehicles, Criminal Court Costs/Fees	\$ <u>18</u>	\$ <u>18</u>
<b>Subtotal Receipts</b>	<b>\$<u>18</u></b>	<b>\$<u>18</u></b>
<b>Ending Balance of Amounts Assessed but Not Received (only applies to those agencies that assess on behalf of themselves, such as courts)</b>	0	0

See accompanying independent accountant's compilation report.



## OTHER REPORTS

Village of Natchez  
Schedule of Findings  
Year Ended June 30, 2021

Prior Year Finding:

*2020-001 Local Government Budget Act*

*Condition* - For the year ended June 30, 2020, the Village failed to amend the budget when actual expenditures exceeded budgeted expenditures by more than 5% as allowed.

*Status* – Finding was cleared as of June 30, 2021.