

**VILLAGE OF GOLDONNA
ANNUAL FINANCIAL REPORT**

JUNE 30, 2020

Village of Goldonna
 Financial Report
 June 30, 2020

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Village of Goldonna

P. O. Box 157
Goldonna, LA 71031

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Village of Goldonna's (hereafter referred to as the Village) annual financial report presents an overview and analysis of the Village's financial activities for the year ended June 30, 2020. The intent of the MD&A is to look at the Village's financial performance as a whole. It should therefore be read in conjunction with this report. Certain comparative information is presented to provide an overview of the Village's operations.

Financial Highlights

This annual report consists of a series of 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 these services were financed in the short-term as well as what remains for future spending.

Government-Wide Financial Statements

- The Statement of Net Position presents all of the Village's assets and liabilities, with the difference between the two reported as "net position." Over time, increases or decreases in the Village's net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.
- The Statement of Activities presents information showing how the Village's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

- The services provided by the Village are financed through both a governmental fund and an enterprise fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village conducts its day-to-day operations through a governmental fund, the General Fund, and a business-type activity, the Village's water system.

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

Summary of Statement of Net Position

	June 2020			June 2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
ASSETS:						
Current Assets	\$ 7,477	\$ 16,681	\$ 24,158	\$ 11,372	\$ 13,259	\$ 24,631
Restricted Assets	0	51,060	51,060	0	61,018	61,018
Capital Assets, Net of Accumulated Depreciation	<u>76,581</u>	<u>271,824</u>	<u>348,405</u>	<u>75,249</u>	<u>281,652</u>	<u>356,901</u>
Total Assets	<u>\$84,058</u>	<u>\$339,565</u>	<u>\$423,623</u>	<u>\$ 86,621</u>	<u>\$355,929</u>	<u>\$442,550</u>
LIABILITIES:						
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,439	\$ 1,439
Accounts Payable	2,104	689	2,793	1,582	2,649	4,231
Customer Deposits Payable	0	14,983	14,983	0	14,983	14,983
Long Term Debt	<u>0</u>	<u>49,711</u>	<u>49,711</u>	<u>0</u>	<u>60,623</u>	<u>60,623</u>
Total Liabilities	<u>\$ 2,104</u>	<u>\$ 65,383</u>	<u>\$ 67,487</u>	<u>\$ 1,582</u>	<u>\$ 79,694</u>	<u>\$ 81,276</u>
NET POSITION:						
Net Investment in Capital Assets	\$76,581	\$216,496	\$293,077	\$ 75,249	\$221,029	\$296,278
Restricted for Debt Service	0	51,060	51,060	0	61,018	61,018
Unrestricted	<u>5,373</u>	<u>6,626</u>	<u>11,999</u>	<u>9,790</u>	<u>(5,812)</u>	<u>3,978</u>
Total Net Position	<u>\$81,954</u>	<u>\$274,182</u>	<u>\$356,136</u>	<u>\$ 85,039</u>	<u>\$276,235</u>	<u>\$361,274</u>

Summary of Statement of Activities

	June 2020			June 2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
REVENUES:						
Licenses & Permits- Franchise Fees	\$46,053	\$ 0	\$ 46,053	\$ 32,647	\$ 0	\$ 32,647
Charges for Services	0	108,444	108,444	0	85,104	85,104
Miscellaneous	11,544	326	11,870	11,647	452	12,099
Grant	<u>9,402</u>	<u>18,067</u>	<u>27,469</u>	<u>225,943</u>	<u>0</u>	<u>225,943</u>
Total Revenues	<u>\$66,999</u>	<u>\$126,837</u>	<u>\$193,836</u>	<u>\$270,237</u>	<u>\$ 85,556</u>	<u>\$355,793</u>
EXPENSES:						
General Government	\$70,084	\$ 0	\$ 70,084	\$ 75,080	\$ 0	\$ 75,080
Street Improvements	0	0	0	205,943	0	205,943
Water/Sewer	0	126,120	126,120	0	101,526	101,526
Interest Expense	<u>0</u>	<u>2,769</u>	<u>2,769</u>	<u>0</u>	<u>3,853</u>	<u>3,853</u>
Total Expenses	<u>\$70,084</u>	<u>\$128,889</u>	<u>\$198,973</u>	<u>\$281,023</u>	<u>\$105,379</u>	<u>\$386,402</u>
Change in Net Position	<u>\$ (3,085)</u>	<u>\$ (2,052)</u>	<u>\$ (5,137)</u>	<u>\$ (10,786)</u>	<u>\$ (19,823)</u>	<u>\$ (30,609)</u>

Governmental Activities

- The Village's assets exceeded its liabilities by \$81,954 for the year. This is a decrease of \$3,085 from the prior year.
- Unrestricted net position of \$5,373 represents the portion available to maintain the Village's obligation to both citizens and creditors. This is a decrease of \$3,085 from the prior year.

Business Type Activities

The Water System had a decrease in net position of \$2,052 for the year. For the prior year, the Water System had a decrease in net position of \$19,823.

General Fund Budgetary Highlights

At year end, actual revenues were \$12,599 more than budgeted revenues and expenditures were \$19,767 more than budgeted expenditures.

Economic Factors and Next Year's Budget

The Village has prepared its FY 2020/2021 budget for the General Fund on the assumption that revenues and expenditures will not change significantly from 2019/2020. Both revenues and expenditures for the Utility Enterprise Fund should remain fairly constant during the next year.

Contacting the Village

This financial report is designed to provide our citizens, taxpayers, 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 the Village at P. O. Box 157, Goldonna, LA 71031.

T | C | B | T
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INDEPENDENT ACCOUNTANT’S COMPILATION REPORT

Mayor and Board of Aldermen
Village of Goldonna
P. O. Box 157
Goldonna, Louisiana 71031

Management is responsible for the accompanying financial statements of the governmental activities, the business-type activities and major funds of the Village of Goldonna for the year ended June 30, 2020, 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 28 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 17, 2020

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Village of Goldonna
Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Current Assets-			
Cash and Cash Equivalents	\$ 4,987	\$ 8,767	\$ 13,754
Revenue Receivable	<u>2,490</u>	<u>7,914</u>	<u>10,404</u>
Total Current Assets	<u>\$ 7,477</u>	<u>\$ 16,681</u>	<u>\$ 24,158</u>
Noncurrent Assets-			
Restricted Assets-			
Bond Covenant Accounts	\$ 0	\$ 51,060	\$ 51,060
Capital Assets (net)	<u>76,581</u>	<u>271,824</u>	<u>348,405</u>
Total Noncurrent Assets	<u>\$76,581</u>	<u>\$322,884</u>	<u>\$399,465</u>
Total Assets	<u>\$84,058</u>	<u>\$339,565</u>	<u>\$423,623</u>
LIABILITIES:			
Current Liabilities-			
Accounts Payable	\$ 2,104	\$ 689	\$ 2,793
Current Portion - Long Term Debt	<u>0</u>	<u>5,974</u>	<u>5,974</u>
Total Current Liabilities	<u>\$ 2,104</u>	<u>\$ 6,663</u>	<u>\$ 8,767</u>
Noncurrent Liabilities-			
Customer Deposits Payable	\$ 0	\$ 14,983	\$ 14,983
Long-Term Debt	<u>0</u>	<u>43,737</u>	<u>43,737</u>
Total Noncurrent Liabilities	<u>\$ 0</u>	<u>\$ 58,720</u>	<u>\$ 58,720</u>
Total Liabilities	<u>\$ 2,104</u>	<u>\$ 65,383</u>	<u>\$ 67,487</u>
NET POSITION:			
Net Investment in Capital Assets	\$76,581	\$216,496	\$293,077
Restricted for Debt Service	0	51,060	51,060
Unrestricted	<u>5,373</u>	<u>6,626</u>	<u>11,999</u>
Total Net Position	<u>\$81,954</u>	<u>\$274,182</u>	<u>\$356,136</u>

See accompanying notes and independent accountant's compilation report.

Village of Goldonna
Statement of Activities
June 30, 2020

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	\$ 70,084	\$ 0	\$ 9,402	\$0	\$(60,682)	\$ 0	\$(60,682)
Business-Type Activities:							
Water/Sewer	<u>128,889</u>	<u>108,444</u>	<u>18,067</u>	<u>0</u>	<u>0</u>	<u>(2,378)</u>	<u>(2,378)</u>
Total Government	<u>\$198,973</u>	<u>\$108,444</u>	<u>\$27,469</u>	<u>\$0</u>	<u>\$(60,682)</u>	<u>\$ (2,378)</u>	<u>\$(63,060)</u>
General Revenues:							
Licenses & Permits-							
Franchise Fee							
					\$ 46,053	\$ 0	\$ 46,053
					0	326	326
					<u>11,544</u>	<u>0</u>	<u>11,544</u>
					<u>\$ 57,597</u>	<u>\$ 326</u>	<u>\$ 57,923</u>
					\$ (3,085)	\$ (2,052)	\$ (5,137)
					<u>85,039</u>	<u>276,234</u>	<u>361,273</u>
					<u>\$ 81,954</u>	<u>\$274,182</u>	<u>\$356,136</u>

See accompanying notes and independent accountant's compilation report.

FUND FINANCIAL STATEMENTS

Village of Goldonna
Balance Sheet-Governmental Fund
June 30, 2020

	<u>General Fund</u>
ASSETS:	
Cash and Cash Equivalents	\$4,987
Revenue Receivables	<u>2,490</u>
Total Assets	<u>\$7,477</u>
LIABILITIES:	
Accounts Payable	\$2,104
FUND BALANCE:	
Unassigned	<u>5,373</u>
Total Liabilities and Fund Balance	<u>\$7,477</u>

See accompanying notes and independent accountant's compilation report.

Village of Goldonna
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
June 30, 2020

Total Fund Balance for the Governmental Fund at June 30, 2020 \$ 5,373

Total Net Position reported for Governmental Activities
in the Statement of Net Position is different because:

The following used in Governmental Activities are not
financial resources and, therefore, are not reported
in the Governmental Fund Balance Sheet-

Capital Assets (Net) 76,581

Total Net Position of Governmental Activities at June 30, 2020 \$81,954

See accompanying notes and independent accountant's compilation report.

Village of Goldonna
Statement of Revenues, Expenditures and Change in Fund Balance
Governmental Fund
Year Ended June 30, 2020

	General Fund
REVENUES:	
Intergovernmental	\$ 9,402
Licenses & Permits-	
Franchise Fees	46,053
Miscellaneous	<u>11,544</u>
Total Revenues	<u>\$66,999</u>
EXPENDITURES:	
Current-	
General Government	\$63,316
Capital Outlay	<u>8,100</u>
Total Expenditures	<u>\$71,416</u>
Deficiency of Revenues over Expenditures	\$ (4,417)
Fund Balance-Beginning of Year	<u>9,790</u>
Fund Balance-End of Year	<u>\$ 5,373</u>

See accompanying notes and independent accountant's compilation report.

Village of Goldonna
Reconciliation of the Statement of Revenues, Expenditures
and Change in Fund Balance of the Governmental Fund
to the Statement of Activities
for the Year Ended June 30, 2020

Net Change in Fund Balance-Governmental Funds \$(4,417)

Amounts reported for Governmental Activities
in the Statement of Activities is different because:

Some revenues reported in the Statement of Activities
do not provide current financial resources and these are not
reported as revenues in governmental funds. Some expenses
reported in the Statement of Activities do not require the use
of current financial resources and, therefore, are not reported
as expenditures in governmental funds. These timing
differences are summarized below:

Depreciation Expense	(6,768)
Capital Outlay	<u>8,100</u>

Net Change in Net Position per Statement of Activities \$(3,085)

See accompanying notes and independent accountant's compilation report.

Village of Goldonna
Statement of Net Position
Proprietary Fund
June 30, 2020

ASSETS:	
Current Assets-	
Cash and Cash Equivalents	\$ 8,767
Revenue Receivable	<u>7,914</u>
Total Current Assets	<u>\$ 16,681</u>
Noncurrent Assets-	
Restricted Assets-	
Bond Covenant Accounts	\$ 51,060
Capital Assets-	
Capital Assets, net of depreciation	<u>271,824</u>
Total Noncurrent Assets	<u>\$322,884</u>
Total Assets	<u>\$339,565</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 689
Current Portion - Long-Term Debt	<u>5,974</u>
Total Current Liabilities	<u>\$ 6,663</u>
Noncurrent Liabilities-	
Long-Term Debt	\$ 43,737
Customer Deposits Payable	<u>14,983</u>
Total Noncurrent Liabilities	<u>\$ 58,720</u>
Total Liabilities	<u>\$ 65,383</u>
NET POSITION:	
Net Investment in Capital Assets	\$216,496
Restricted for Debt Service	51,060
Unrestricted	<u>6,626</u>
Total Net Position	<u>\$274,182</u>

See accompanying notes and independent accountant's compilation report.

Village of Goldonna
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2020

OPERATING REVENUES:	
Charges for Services- Water Sales	<u>\$108,444</u>
OPERATING EXPENSES:	
Depreciation	\$ 22,861
General & Administrative	66,229
Telephone/Utilities	10,848
Repairs & Maintenance	<u>8,116</u>
Total Operating Expenses	<u>\$108,054</u>
Operating Income (Loss)	\$ <u>390</u>
Non-Operating Revenues (Expenses)	
Interest Income	\$ 326
Interest Expense	(2,768)
Grant Income	18,067
Grant Expenses	<u>(18,067)</u>
Total Non-Operating Revenues (Expenses)	<u>\$ (2,442)</u>
Change in Net Position	\$ (2,052)
Net Position -Beginning of Year	<u>276,234</u>
Net Position -End of Year	<u>\$274,182</u>

See accompanying notes and independent accountant's compilation report.

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

Cash Flows from Operating Activities:	
Cash received from customers	\$105,553
Cash paid to suppliers	<u>(87,153)</u>
Net Cash Used by Operating Activities	\$ <u>18,400</u>
Cash Flows from Capital and Related Financing Activities:	
Principal paid on capital debt	\$ (10,912)
Interest paid on capital debt	(2,768)
Acquisition of Capital Assets	<u>(13,033)</u>
Net Cash Used for Capital and Related Financing Activities	\$ <u>(26,714)</u>
Cash Flows from Investing Activities:	
Interest and dividends	\$ <u>326</u>
Net Decrease in Cash and Cash Equivalents	\$ (7,988)
Cash and Cash Equivalents at Beginning of Year	<u>67,815</u>
Cash and Cash Equivalents at End of Year	\$ <u>59,827</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ 390
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation expense	22,861
Changes in Assets and Liabilities-	
(Increase)/Decrease - Receivables	(2,891)
Increase/(Decrease) - Accounts Payable	<u>(1,960)</u>
Net Cash used by Operating Activities	\$ <u>14,400</u>
Cash Amounts:	
Cash & Cash Equivalents	\$ 8,767
Bond Covenant Accounts	<u>51,060</u>
Total	\$ <u>59,827</u>

See accompanying notes and independent accountant's compilation report.

NOTES TO FINANCIAL STATEMENTS

Village of Goldonna
Notes to Financial Statements
June 30, 2020

Introduction:

The Village of Goldonna, Louisiana, is incorporated under the Lawrason Act with a Mayor-Board of Aldermen form of government. The executive branch of government is headed by the Mayor and a Legislative branch consisting of three Aldermen.

This report includes all funds which are controlled or dependent on the Village of Goldonna's executive and legislative branches (the Mayor and Aldermen). Control by or dependence on the Village of Goldonna was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of government body, and other general oversight responsibility.

The Village's operations include police, streets and drainage, and general and administrative services. In addition, the Village operates a Utility System which provides water 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 Goldonna, Louisiana are prepared in accordance with generally accepted accounting principles (GAAP). The Village of Goldonna 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 Net Position presents the governmental-type activities on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

Village of Goldonna
Notes to Financial Statements
June 30, 2020

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.

The Village maintains two funds. One is categorized as governmental funds and one as a 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 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 Utility Fund.

Village of Goldonna
Notes to Financial Statements
June 30, 2020

The Village reports both funds as major.

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.

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.

F. CAPITAL ASSETS-

Capital assets, which include property, plant, and equipment, are reported in the governmental activity's 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.

Village of Goldonna
Notes to Financial Statements
June 30, 2020

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	3-12 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 outlay 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. RESTRICTED ASSETS-

Restricted assets include cash, interest-bearing deposits, and investments of the proprietary fund that are legally restricted as to their use. The restricted assets are related to utility bond covenant accounts.

H. COMPENSATED ABSENCES-

There is no formal leave policy for the Village, therefore, no entry is made to record compensated absences.

I. 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 position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

Village of Goldonna
Notes to Financial Statements
June 30, 2020

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. Nonspendable 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. Only the General Fund would report positive amounts in unassigned fund balance.

The General Fund has an unassigned fund balance of \$5,373. 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.

J. 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.

K. 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.

Village of Goldonna
Notes to Financial Statements
June 30, 2020

L. 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 Nonoperating

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

M. 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.

2. Cash and Cash Equivalents:

At June 30, 2020, the Village had \$68,476 in deposits (collected bank balances). These deposits were fully secured from risk by federal deposit insurance.

3. Restricted Assets - Proprietary Fund Type:

Restricted assets of the Utility Fund were applicable to the following at June 30, 2020:

Contingency	\$ 24,618
Sinking	3,871
Depreciation & Contingency	13,197
Reserve	<u>9,374</u>
Total Restricted Cash	<u>\$51,060</u>

4. Litigation:

At June 30, 2020, there were no pending civil suits against the Village.

5. Compensation Paid to the Board of Aldermen:

Reed Franklin	\$1,440
Fonda Garner	1,440
Norrell Garner	1,440
Eugean Garner	<u>960</u>
Total	<u>\$5,280</u>

Village of Goldonna
Notes to Financial Statements
June 30, 2020

6. Related Parties:

The Village had no identified related party transactions for the year ended June 30, 2020.

7. Capital Assets:

Capital asset activity for the year ended June 30, 2020, is as follows:

Governmental Activities	Balance 07-01-19	Additions	Deletions	Balance 06-30-20
Capital Assets; not depreciated-				
Land	\$ 10,055	\$ 0	\$0	\$ 10,055
Capital Assets; depreciated-				
Building	56,088	0	0	56,088
Office Furniture, Fixtures & Equipment	10,758	0	0	10,758
Outside Equipment & Walking Trail	48,717	8,100	0	56,817
Pavilion/Walkway	12,500	0	0	12,500
Vehicles	1,500	0	0	1,500
Parking Lot	<u>7,625</u>	<u>0</u>	<u>0</u>	<u>7,625</u>
Total Capital Assets	<u>\$147,243</u>	<u>\$ 8,100</u>	<u>\$0</u>	<u>\$155,343</u>
Less, Accumulated Depreciation				
Building	\$ 12,619	\$ 2,651	\$0	\$ 15,270
Office Furniture, Fixtures & Equipment	6,606	0	0	6,606
Outside Equipment & Walking Trail	48,885	3,055	0	51,940
Vehicles	200	300	0	500
Parking Lot	<u>3,684</u>	<u>762</u>	<u>0</u>	<u>4,446</u>
Total Accumulated Depreciation	<u>\$ 71,994</u>	<u>\$ 6,768</u>	<u>\$0</u>	<u>\$ 78,762</u>
Net Capital Assets	<u>\$ 75,249</u>	<u>\$ 1,332</u>	<u>\$0</u>	<u>\$ 76,581</u>

Depreciation expense of \$6,768 was charged to the General Fund.

Capital Assets Depreciated-				
Water System	\$839,946	\$ 0	\$0	\$839,946
Equipment	<u>0</u>	<u>13,033</u>	<u>0</u>	<u>13,033</u>
Total Capital Assets	<u>\$839,946</u>	<u>\$13,033</u>	<u>\$0</u>	<u>\$852,979</u>
Less, Accumulated Depreciation				
Water System	\$558,294	\$20,999	\$0	\$579,293
Equipment	<u>0</u>	<u>1,862</u>	<u>0</u>	<u>1,862</u>
Total Accumulated Depreciation	<u>\$558,294</u>	<u>\$22,861</u>	<u>\$0</u>	<u>\$581,155</u>
Net Capital Assets	<u>\$281,652</u>	<u>\$ (9,828)</u>	<u>\$0</u>	<u>\$271,824</u>

Depreciation expense of \$22,861 was charged to the Utility Fund.

Village of Goldonna
Notes to Financial Statements
June 30, 2020

8. Long-Term Liabilities:

The Village entered into a bond agreement with the Farmers Home Administration on March 10, 1988 for \$134,600 with payments due in annual installments of \$8,865 for a term of forty (40) years. Interest is to be fixed at a rate of 5.870% per annum, and payment is to be made on March 10 of each year through the year 2028.

Under the terms of the Revenue Bonds, the following monthly payments should be made to the "Waterworks Sinking Fund", "Waterworks Reserve Fund", and the "Waterworks Depreciation and Contingency Fund".

Monthly Payments:

<u>Period (Mo./Yr.)</u>	<u>Sinking Fund</u>	<u>Reserve Fund</u>	<u>Depreciation & Contingency Fund</u>
3/20/1988 - 2/20/2028	\$800	\$87/mo. until \$8,865 is accumulated	\$38

The following schedule summarizes the Revenue Bond activity for the year:

Balance July 1, 2019	\$55,327
Less: Principal Payments	<u>5,616</u>
Balance June 30, 2020	<u>\$49,711</u>

The annual requirements to amortize the revenue bonds payable to the Farmers Home Administration are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 5,947	\$ 2,918	\$ 8,865
2022	6,296	2,569	8,865
2023	6,660	2,205	8,865
2024	7,056	1,809	8,865
2025	7,471	1,394	8,865
2026-2028	<u>16,281</u>	<u>1,449</u>	<u>17,730</u>
Totals	<u>\$49,711</u>	<u>\$12,344</u>	<u>\$62,055</u>

9. Subsequent Events:

Management has evaluated events through December 17, 2020, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

10. Contingencies:

Due to the ongoing restrictions and guidelines related to the COVID-19 (coronavirus) pandemic which began in early 2020, the extent to which the COVID-19 pandemic may directly or indirectly impact the Village cannot be reasonably estimated at this time.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Village of Goldonna
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$20,000	\$ 7,700	\$ 9,402	\$ 1,702
License & Permits-				
Franchise Fees	28,136	30,700	46,053	15,353
Miscellaneous	<u>14,000</u>	<u>16,000</u>	<u>11,544</u>	<u>(4,456)</u>
Total Revenues	<u>\$62,136</u>	<u>\$54,400</u>	<u>\$66,999</u>	<u>\$ 12,599</u>
EXPENDITURES:				
Current-				
General Government	\$62,136	\$51,649	\$63,316	\$(11,667)
Capital Outlay	<u>0</u>	<u>0</u>	<u>8,100</u>	<u>(8,100)</u>
Total Expenditures	<u>\$62,136</u>	<u>\$51,649</u>	<u>\$71,416</u>	<u>\$(19,767)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 2,751	\$ (4,417)	\$ (7,168)
Fund Balance-Beginning of Year	<u>9,790</u>	<u>9,790</u>	<u>9,790</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 9,790</u>	<u>\$12,541</u>	<u>\$ 5,373</u>	<u>\$ 7,168</u>

See independent accountant's compilation report.

Village of Goldonna
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended June 30, 2020

Agency Head Name: Jennifer Smith, Mayor

<u>Purpose</u>	<u>Jennifer Smith</u>
Salary	\$2,880
Benefits-Retirement	<u>220</u>
Total	<u>\$3,100</u>

See independent accountant's compilation report.

OTHER REPORTS

Village of Goldonna
Schedule of Findings
Year Ended June 30, 2020

I. Current Year Findings:

Compliance

For the year ended June 30, 2020, the Village had the following compliance findings:

2020-001 *Local Government Budget Act*

For the year ended June 30, 2020, the Village did not follow the requirements of the Local Government Budget Act in that the Village failed to amend the budget when the actual expenditures were more than the budgeted expenditures by more than 5% allowed.

II. Prior Year Findings:

Compliance

For the year ended June 30, 2019, the Village had the following compliance findings:

2019-001 *Local Government Budget Act*

For the year ended June 30, 2019, the Village did not follow the requirements of the Local Government Budget Act in that the Village failed to amend the budget when the actual revenues were less than budgeted revenues by more than 5% as allowed.

Status - The finding was not cleared as of June 30, 2020. See 2020-001.