

**Village of Choudrant**

*Financial Statements  
For The Year Ended June 30, 2018*



**Village of Choudrant  
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For The Year Ended June 30, 2018**

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# 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

Fax (318) 322-5121

## 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, as of and for the year ended June 30, 2018, 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, as of June 30, 2018, 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.

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

## **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 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 Standard's**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2019, on our consideration of the Village of Choudrant'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's internal control over financial reporting and compliance.

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
January 28, 2019

**Village of Choudrant  
Management's Discussion and Analysis  
For The Year Ended June 30, 2018**

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Our discussion and analysis of the Village of Choudrant provides an overview of the Village's activities for the year ended June 30, 2018. 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, 2018 by \$4,471,888. Of this amount, \$656,983 is unrestricted. The assets exceeded its liabilities at June 30, 2017 by \$4,566,701. Of this amount, \$678,886 is unrestricted.
- The Village's total net position decreased by \$94,813 for the fiscal year ended June 30, 2018. This is a result of a \$53,906 increase in governmental activities and a \$148,719 decrease in business-type activities operations. The Village's total net position decreased by \$288,084 for the fiscal year ended June 30, 2017. This is a result of a \$21,432 decrease in governmental activities and a \$266,652 decrease in business-type activities operations.
- The Village's governmental funds reported combined ending fund balances of \$546,889 at June 30, 2018. The Village's governmental funds reported combined ending fund balances of \$577,839 at June 30, 2017.
- The unassigned fund balance of the general fund was \$494,591 at June 30, 2018, or 87.83% of the total general fund expenditures. The unreserved fund balance of the general fund was \$502,886 at June 30, 2017, or 109.26% of the total general fund expenditures.
- The general fund reported an excess of expenditures over revenues of \$54,576 before transfers, and an excess of expenditures over revenues of \$8,295 after transfers for the fiscal year ended June 30, 2018. The general fund reported an excess of expenditures over revenues of \$13,677 before transfers, and a \$14,071 excess of revenues over expenditures after transfers for the fiscal year ended June 30, 2017.

**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, 2018**

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- 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, 2018**

- **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 2017-2018 fiscal year decreased by \$94,813. The table shows the statement of net assets for the year ending 2018 and the year ending 2017. 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	
	2018	2017	2018	2017	2018	2017
<b><u>Assets</u></b>						
Current & Other	\$ 562,620	\$ 599,992	\$ 319,915	\$ 292,469	\$ 882,535	\$ 892,461
Capital	2,141,945	2,057,089	2,184,151	2,400,993	4,326,096	4,458,082
<b>Total Assets</b>	<b>\$ 2,704,565</b>	<b>\$ 2,657,081</b>	<b>\$ 2,504,066</b>	<b>\$ 2,693,462</b>	<b>\$ 5,208,631</b>	<b>\$ 5,350,543</b>
<b><u>Liabilities</u></b>						
Current & Other	\$ 15,731	\$ 22,153	\$ 125,911	\$ 119,291	\$ 141,642	\$ 141,444
Long-term	-	-	595,101	642,398	595,101	642,398
<b>Total Liabilities</b>	<b>15,731</b>	<b>22,153</b>	<b>721,012</b>	<b>761,689</b>	<b>736,743</b>	<b>783,842</b>
<b><u>Net Position</u></b>						
Invested in Capital Assets, net of debt	2,141,945	2,057,089	1,672,960	1,712,215	3,814,905	3,769,304
Unrestricted	546,889	577,839	110,094	219,558	656,983	797,397
<b>Total Net Position</b>	<b>\$ 2,688,834</b>	<b>\$ 2,634,928</b>	<b>\$ 1,783,054</b>	<b>\$ 1,931,773</b>	<b>\$ 4,471,888</b>	<b>\$ 4,566,701</b>

**Village of Choudrant  
Management's Discussion and Analysis  
For The Year Ended June 30, 2018**

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 \$4,471,888 at the close of the fiscal year. The largest portion of the Village's net assets (85%) 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 \$53,906 during the fiscal year ended June 30, 2018 and decreased \$21,432 for the fiscal year ended June 30, 2017.

**Business-type Activities**

Net position of the Village's business-type activities decreased \$148,719 and \$266,652 during the fiscal years ended June 30, 2018 and 2017, 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>REVENUES:</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 43,877	\$ 42,341	\$ 395,589	\$ 391,379	\$ 439,466	\$ 433,720
Grants and Contributions	164,883	131,628	-	-	164,883	131,628
<b>General Revenues</b>						
Sales Tax	281,923	277,252	-	-	281,923	277,252
Franchise Fees	27,815	26,732	-	-	27,815	26,732
Occupational Licenses	62,573	47,359	-	-	62,573	47,359
Permit Revenue	13,830	10,644	-	-	13,830	10,644
Miscellaneous	2,695	1,139	-	-	2,695	1,139
Interest Earned	1,491	1,213	611	365	2,102	1,578
<b>Total Revenues</b>	<b>599,087</b>	<b>538,308</b>	<b>396,200</b>	<b>391,744</b>	<b>995,287</b>	<b>930,052</b>
<b>EXPENSES:</b>						
General Government	243,990	227,426	-	-	243,990	227,426
Public Safety	174,642	207,106	-	-	174,642	207,106
Public Works	142,227	123,969	-	-	142,227	123,969
Culture & Recreation	7,462	7,231	-	-	7,462	7,231
Utilities	-	-	521,779	652,404	524,952	652,404
<b>Total Expenses</b>	<b>568,321</b>	<b>565,732</b>	<b>521,779</b>	<b>652,404</b>	<b>1,093,273</b>	<b>1,218,136</b>
<b>Increase (Decrease) in Net Assets</b>						
Before Transfers	30,766	(27,424)	(125,579)	(260,660)	(94,813)	(288,084)
Transfers	23,140	5,992	(23,140)	(5,992)	-	-
<b>Increase (Decrease) in Net Assets</b>	<b>53,906</b>	<b>(21,432)</b>	<b>(148,719)</b>	<b>(266,652)</b>	<b>(101,439)</b>	<b>(288,084)</b>
Net Assets Beginning of Year	2,634,928	2,656,360	1,931,773	2,198,425	4,566,701	4,854,785
<b>Net Assets End of Year</b>	<b>\$ 2,688,834</b>	<b>\$ 2,634,928</b>	<b>\$ 1,783,054</b>	<b>\$ 1,931,773</b>	<b>\$ 4,471,888</b>	<b>\$ 4,566,701</b>

**Village of Choudrant  
Management's Discussion and Analysis  
For The Year Ended June 30, 2018**

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**Governmental Activities**

During the fiscal years ended June 30, 2018 and 2017, the major sources of income were:

	<u>2018</u>	<u>2017</u>
• Sales Tax	47%	50%
• Franchise Fees	5%	5%
• Occupational Licenses	10%	9%
• Grants and Contributions	28%	24%
• Charges for Services	7%	7%

**Business-type Activities**

Total revenues from business-type activities were \$396,200 for the fiscal year ended June 30, 2018. This increased \$4,256 from last year. Expenses for the Village's business-type activities were \$521,779. The business-type activities had a net operating loss of \$126,190. Net position decreased \$148,719 after transfers in of \$23,140.

**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 \$546,889 at June 30, 2018.

The General fund is the chief operating fund of the Village. The unassigned fund balance at June 30, 2018 was \$494,591. Unassigned fund balance represents 87.83% of the total general fund expenditures.

**Proprietary Funds**

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

Net position of the Utilities Enterprise fund at the end of the fiscal year was \$1,783,054. The fund had an operating loss of \$126,190 before non-operating revenues of \$611 and operating transfers-out of \$23,140.

**Village of Choudrant  
Management's Discussion and Analysis  
For The Year Ended June 30, 2018**

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**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, 2018 amounted to \$4,326,096 (net of depreciation). This investment includes land, buildings and improvements, equipment, vehicles, water and sewer facilities. The outstanding debt of \$642,398 is for revenue bonds.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Village's management and elected officials considered many factors when preparing the 2018-2019 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, P. O. Box 288, Choudrant, Louisiana 71227.

**Village of Choudrant  
Statement of Net Position  
June 30, 2018**

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	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 138,074	\$ 64,699	\$ 202,773
Investments	344,483	205,795	550,278
Receivables	57,407	50,740	108,147
Internal Balances	4,592	(4,592)	-
Other Assets	18,064	3,273	21,337
Capital Assets			
Land, Improvements, and Construction in Progress	868,100	10,281	878,381
Other Capital Assets, Net of Depreciation	1,273,845	2,173,870	3,447,715
<b>Total Assets</b>	<b>\$ 2,704,565</b>	<b>\$ 2,504,066</b>	<b>\$ 5,208,631</b>
<b>Liabilities and Net Position</b>			
<b>Liabilities</b>			
Accounts Payable and Accrued Expenses	\$ 15,731	\$ 6,920	\$ 22,651
Accrued Interest	-	5,316	5,316
Customer Deposits	-	66,378	66,378
Long-Term Liabilities			
Notes Payable - Due Within One Year	-	47,297	47,297
Notes Payable - Due In More Than One Year	-	595,101	595,101
<b>Total Liabilities</b>	<b>15,731</b>	<b>721,012</b>	<b>736,743</b>
<b>Net Position</b>			
Invested in Capital Assets, Net of Related Debt	2,141,945	1,541,753	3,683,698
Restricted For:			
Debt Service	-	131,207	131,207
Unrestricted	546,889	110,094	656,983
<b>Total Net Position</b>	<b>2,688,834</b>	<b>1,783,054</b>	<b>4,471,888</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 2,704,565</b>	<b>\$ 2,504,066</b>	<b>\$ 5,208,631</b>

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

**Village of Choudrant  
Statement of Activities  
For The Year Ended June 30, 2018**

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 243,990	\$ -	\$ -	\$ 6,073
Public Safety	174,642	7,479	-	13,044
Public Works	142,227	36,398	91,724	54,042
Culture and Recreation	7,462	-	-	-
Total Governmental Activities	<u>\$ 568,321</u>	<u>\$ 43,877</u>	<u>\$ 91,724</u>	<u>\$ 73,159</u>
Business-Type Activities:				
Water and Sewer	\$ 521,779	\$ 395,589	\$ -	\$ -
Total Business-Type Activities	<u>\$ 521,779</u>	<u>\$ 395,589</u>	<u>\$ -</u>	<u>\$ -</u>
Total Primary Government	<u>\$ 1,090,100</u>	<u>\$ 439,466</u>	<u>\$ 91,724</u>	<u>\$ 73,159</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**

<b>Net (Expense) Revenue and Changes in Net Assets</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (237,917)	\$ -	\$ (237,917)
(154,119)	-	(154,119)
39,937	-	39,937
(7,462)	-	(7,462)
<u>\$ (359,561)</u>	<u>\$ -</u>	<u>\$ (359,561)</u>
\$ -	\$ (126,190)	\$ (126,190)
<u>\$ -</u>	<u>\$ (126,190)</u>	<u>\$ (126,190)</u>
<u>\$ (359,561)</u>	<u>\$ (126,190)</u>	<u>\$ (485,751)</u>
281,923	-	281,923
27,815	-	27,815
62,573	-	62,573
13,830	-	13,830
1,491	611	2,102
2,695	-	2,695
23,140	(23,140)	-
<u>413,467</u>	<u>(22,529)</u>	<u>390,938</u>
53,906	(148,719)	(94,813)
2,634,928	1,931,773	4,566,701
<u>\$ 2,688,834</u>	<u>\$ 1,783,054</u>	<u>\$ 4,471,888</u>

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

**Village of Choudrant  
Balance Sheet  
Governmental Funds  
June 30, 2018**

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	<b>General Fund</b>	<b>Non-Major Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 96,672	\$ 41,402	\$ 138,074
Investments	307,769	36,714	344,483
Receivables	47,518	9,889	57,407
Due From Other Funds	36,451	-	36,451
Other Assets	18,064	-	18,064
<b>Total Assets</b>	<b>\$ 506,474</b>	<b>\$ 88,005</b>	<b>\$ 594,479</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable and Accrued Expenses	\$ 11,883	\$ 3,848	\$ 15,731
Due to Other Funds	-	31,859	31,859
<b>Total Liabilities</b>	<b>11,883</b>	<b>35,707</b>	<b>47,590</b>
<b>Fund Balances</b>			
Unassigned	494,591	52,298	546,889
Assigned	-	-	-
<b>Total Fund Balances</b>	<b>494,591</b>	<b>52,298</b>	<b>546,889</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 506,474</b>	<b>\$ 88,005</b>	

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

2,141,945

Net Position of Governmental Activities

**\$ 2,688,834**

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, 2018**

<u>Revenues</u>	<u>General Fund</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
Taxes	\$ 281,923	\$ -	\$ 281,923
Intergovernmental	110,841	54,042	164,883
Licenses and Permits	104,218	-	104,218
Fines and Forfeitures	7,479	-	7,479
Charges for Services	-	36,398	36,398
Investment Earnings	1,395	96	1,491
Miscellaneous	2,695	-	2,695
<b>Total Revenues</b>	<b>508,551</b>	<b>90,536</b>	<b>599,087</b>
<u>Expenditures</u>			
General Government	231,247	-	231,247
Public Safety	142,277	-	142,277
Public Works	187,278	90,050	277,328
Culture and Recreation	2,325	-	2,325
<b>Total Expenditures</b>	<b>563,127</b>	<b>90,050</b>	<b>653,177</b>
<b>Excess of Revenues over Expenditures</b>	<b>(54,576)</b>	<b>486</b>	<b>(54,090)</b>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - In	46,281	-	46,281
Operating Transfers - Out	-	(23,141)	(23,141)
<b>Total Other Financing Sources (Uses)</b>	<b>46,281</b>	<b>(23,141)</b>	<b>23,140</b>
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>(8,295)</b>	<b>(22,655)</b>	<b>(30,950)</b>
<b>Fund Balances, Beginning of Year</b>	<b>502,886</b>	<b>74,953</b>	
<b>Fund Balances, End of Year</b>	<b>\$ 494,591</b>	<b>\$ 52,298</b>	

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	161,724
Depreciation expense	(76,868)
	<u>84,856</u>
<b>Changes in Net Position in Governmental Activities</b>	<b>\$ 53,906</b>

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

**Village of Choudrant  
Statement of Net Position  
Proprietary Funds  
June 30, 2018**

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<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$	64,699
Receivables		50,740
Due From Other Funds		26,468
<b>Total Current Assets</b>		<u>141,907</u>
<b>Noncurrent Assets:</b>		
Restricted Cash and Investments		205,795
Bond Issue Costs, net		3,273
<b>Capital Assets</b>		
Land, Improvements		10,281
Vehicles & Work Equipment		142,654
Office Equipment		10,574
Treatment Facilities		3,568,467
Water Wells and Lines		4,116,124
<b>Total Capital Assets</b>		<u>7,848,100</u>
Less: Accumulated Depreciation		<u>(5,663,949)</u>
<b>Net Capital Assets</b>		<u>2,184,151</u>
<b>Total Noncurrent Assets</b>		<u>2,393,219</u>
<b>Total Assets</b>	<b>\$</b>	<b><u>2,535,126</u></b>
<b>Liabilities and Net Position</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Expenses	\$	6,920
Due To Other Funds		31,060
Accrued Interest		5,316
Customer Deposits		66,378
Bonds Payable		47,297
<b>Total Current Liabilities</b>		<u>156,971</u>
<b>Noncurrent Liabilities</b>		
Bonds Payable		595,101
<b>Total Noncurrent Liabilities</b>		<u>595,101</u>
<b>Total Liabilities</b>		<u>752,072</u>
<b>Net Position</b>		
Invested in Capital Assets, Net of Related Debt		1,541,753
Restricted for Debt Service		131,207
Unrestricted		110,094
<b>Total Net Position</b>		<u>1,783,054</u>
<b>Total Liabilities and Net Position</b>	<b>\$</b>	<b><u>2,535,126</u></b>

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, 2018**

<b><u>Operating Revenues</u></b>	
Charges for Services:	
Water Sales	294,902
Sewer Revenues	77,923
Other Water & Sewer Revenues	22,764
<b>Total Operating Revenues</b>	<b>395,589</b>
<b><u>Operating Expenses</u></b>	
Accounting & Legal Expenses	4,805
Advertising	190
Depreciation and Amortization	217,547
Insurance	751
Interest Expense	23,503
Materials, Repairs & Supplies	69,558
Office Supplies	654
Other Administrative	13,332
Payroll Taxes	4,000
Permit Fees	6,377
Postage	850
Salaries & Wages	69,182
Utilities	103,352
Vehicle Expense	7,678
<b>Total Operating Expenses</b>	<b>521,779</b>
<b>Total Operating Income /(Loss)</b>	<b>(126,190)</b>
<b><u>Non Operating Revenues/(Expenses)</u></b>	
Interest Income	611
<b>Total Non Operating Revenues/(Expenses)</b>	<b>611</b>
<b>Net Loss Before Operating Transfers</b>	<b>(125,579)</b>
<b><u>Operating Transfers - In/(Out)</u></b>	<b>(23,140)</b>
<b>Net Income</b>	<b>\$ (148,719)</b>
<b>Net Position, Beginning of Year</b>	<b>1,931,773</b>
<b>Net Position, End of Year</b>	<b>\$ 1,783,054</b>

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, 2018**

	<b>Business-Type Activities Enterprise Fund</b>
<b><u>Cash Flows From Operating Activities</u></b>	
Receipts from Customers	\$ 384,862
Payments to Provide Services	(201,597)
Payments to Employees	(69,182)
Net Cash Provided (Used) by Operating Activities	<u>114,083</u>
<b><u>Cash Flows From Noncapital Financing Activities</u></b>	
Increase in Customer Deposits	5,809
Increase in Restricted Assets	611
Operating Transfers In/(Out)	(23,140)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(16,720)</u>
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>	
Acquisition of Capital Assets	-
Debt Service	(71,205)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(71,205)</u>
<b><u>Cash Flows From Investing Activities</u></b>	
Interest Earned	611
Net Cash Provided (Used) by Investing Activities	<u>611</u>
<b>Net Increase/(Decrease) in Cash And Cash Equivalents</b>	<u>26,769</u>
<b>Cash And Cash Equivalents, Beginning of Year</b>	37,930
<b>Cash And Cash Equivalents, End of Year</b>	<u>\$ 64,699</u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities</b>	
Operating Income/(Loss)	\$ (126,190)
<i>Adjustments to Reconcile Net Loss to Net Cash Provided (Used) by Operating Activities:</i>	
Depreciation and Amortization	217,547
Interest Paid on Debt Service	23,503
Increase in Accounts Receivable	(10,727)
Decrease in Due From Other Governments	10,057
Increase in Accounts Payable and Accrued Expenses	1,057
Decrease in Accrued Interest	(1,164)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 114,083</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, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Choudrant 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, 2018**

**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.

**Village of Choudrant**  
**Notes to the Financial Statements**  
**For The Year Ended June 30, 2018**

**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.

**Revenues – Exchange and Non-exchange Transactions**

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

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

**H. Expenses/Expenditures**

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

**I. Budgetary Data**

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

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

**J. Cash and Cash Equivalents**

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

**Village of Choudrant**  
**Notes to the Financial Statements**  
**For The Year Ended June 30, 2018**

**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, 2018**

**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 as prescribed in FASB 43 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, 2018**

*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, 2018. 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, 2018**

	<u>Book Balance</u>		<u>Bank Balance</u>
Cash on Deposit	\$ 202,773	\$	234,094
Certificates of Deposit	550,278		550,278
Total	\$ 753,051	\$	784,372

The Village's deposits are collateralized as follows:

FDIC Insured Deposits	\$ 452,773		
Uninsured Deposits:			
Collateralized-Category 3	331,599		
Total	\$ 784,372		

*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, 2018 consist of the following individual receivables and payables in the governmental fund balance sheet.

		Interfund Receivables		Interfund Payables
General Fund	\$	36,451	\$	-
Solid Waste Fund		-		31,859
Water Fund		26,468		31,060
Totals	\$	62,919	\$	62,919

**Village of Choudrant**  
**Notes to the Financial Statements**  
**For The Year Ended June 30, 2018**

**4. OPERATING TRANSFERS**

Transfers in and out for all funds for the year ending June 30, 2018:

		Operating Transfers In		Operating Transfers Out
General Fund	\$	46,281	\$	-
Solid Waste Fund		-		23,141
Water Fund		-		23,140
Totals	\$	46,281	\$	46,281

**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 20<sup>th</sup> day of each month, commencing in March 1997, a sum to 1/6<sup>th</sup> of the interest falling due on the next interest payment date and 1/12<sup>th</sup> 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 20<sup>th</sup> 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, 2018**

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, 2018, the Village of Choudrant had established all of the required restricted asset accounts. As of June 30, 2018, the following accounts were funded as follows:

Water System Revenue Bond Sinking Fund	\$	67,983
Reserve Fund		48,224
Waterworks Depreciation & Contingency Fund		15,000
Total	\$	131,207

**6. RECEIVABLES**

Receivables at June 30, 2018 consisted of the following:

		Accounts		Intergovernmental		Total
General	\$	36,453	\$	11,065	\$	47,518
Special Revenue		9,889		-		9,889
Enterprise		50,740		-		50,740
Totals	\$	97,082	\$	11,065	\$	108,147

**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, 2018 is \$66,378.

**8. WATER & SEWER REVENUE**

The Village has approximately 557 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, 2018**

The Village offers sewer service within the Village limits to its citizens. The sewer service is paid for with a fee of \$17 per month for the first 10,000 gallons and \$10 per each 10,000 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 6/30/2017	Additions	Deletions	Balance 6/30/2018
Buildings	\$ 1,193,847	\$ -	\$ -	\$ 1,193,847
Improvements Other than Buildings	195,929	-	-	195,929
Equipment	1,021,326	11,574	-	1,032,900
Infrastructure	1,255,723	150,150	-	1,405,873
Total Governmental Fixed Assets	\$ 3,666,825	\$ 161,724	\$ -	\$ 3,828,549
Accumulated Depreciation	( 1,609,736 )	-	( 76,868 )	( 1,686,604 )
Total	\$ 2,057,089	\$ 161,724	\$( 76,868 )	\$ 2,141,945

Governmental activities depreciation for the fiscal year ended June 30, 2018 totaled \$76,868.

The following is a summary of proprietary fund-type assets at June 30, 2018:

	Balance 6/30/2017	Additions	Deletions	Balance 6/30/2018
Water Wells & Tanks	\$ 1,814,042	\$ -	\$ -	\$ 1,814,042
Vehicles	45,124	-	-	45,124
Sewerage Distribution System	3,394,021	-	-	3,394,021
Land	10,281	-	-	10,281
Water Well Distribution System	2,302,082	-	-	2,302,082
Storm Water Treatment Plant	174,446	-	-	174,446
Office Equipment	10,574	-	-	10,574
Equipment	97,530	-	-	97,530
Construction in Progress	-	-	-	-
Total	7,848,100	-	-	7,848,100
Accumulated Depreciation	( 5,447,107 )	-	( 216,842 )	( 5,663,949 )
Total	2,400,993	\$ -	\$( 216,842 )	\$ 2,184,151

Depreciation expense on the proprietary fund totaled \$216,482 for the fiscal year.

**Village of Choudrant**  
**Notes to the Financial Statements**  
**For The Year Ended June 30, 2018**

**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, 2018:

<u>Description</u>	<u>Amount of Original Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance June 30, 2017</u>	<u>Retired</u>	<u>Balance June 30, 2018</u>
Revenue Bonds	\$ 550,000	March 1, 2029	3.65%	\$ 370,028	\$ 25,130	\$ 344,898
Revenue Bonds	\$ 425,000	March 1, 2029	3.65%	318,750	21,250	297,500
Totals				\$ 688,778	\$ 46,380	\$ 642,398

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>
2019	\$ 47,297	\$ 22,629	\$ 69,926
2020	48,216	20,967	69,183
2021	49,232	19,207	68,439
2022	50,253	17,442	67,695
2023	51,312	15,639	66,951
Thereafter	396,087	57,101	453,188
Total	\$ 642,398	\$ 152,985	\$ 795,383

Bond Issuance costs totaled \$3,273, net of amortization of \$3,878 for the fiscal year ended June 30, 2018.

**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, 2018**

**12. COMPENSATION PAID TO MAYOR AND COUNCIL MEMBERS**

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

Thomas Patton	\$	300
Ricky Maier		300
Philip Johnson		325
Bill Sanderson, Mayor		15,000
Total	\$	<u>15,925</u>

**13. RISK MANAGEMENT**

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

Public Official Errors and Omissions Liability (Per occurrence)	\$	500,000
Business Auto Coverage Liability Combined		
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 January 28, 2019, 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, 2018**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ 315,000	\$ 283,313	\$ 281,923	\$ (1,390)
Intergovernmental	118,500	99,776	110,841	11,065
Licenses and Permits	109,000	104,487	104,218	(269)
Fines and Forfeitures	6,500	6,778	7,479	701
Investment Earnings	150	209	1,395	1,186
Miscellaneous	150	2,010	2,695	685
<b>Total Revenues</b>	<b>549,300</b>	<b>496,573</b>	<b>508,551</b>	<b>11,978</b>
<b>Expenditures</b>				
General Government	237,018	244,530	231,247	13,283
Public Safety	159,182	141,238	142,277	(1,039)
Public Works	162,000	180,138	187,278	(7,140)
Culture and Recreation	40,850	2,396	2,325	71
<b>Total Expenditures</b>	<b>599,050</b>	<b>568,302</b>	<b>563,127</b>	<b>5,175</b>
<b>Excess of Revenues over Expenditures</b>	<b>(49,750)</b>	<b>(71,729)</b>	<b>(54,576)</b>	<b>17,153</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers - In	49,750	46,281	46,281	-
Operating Transfers - Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>49,750</b>	<b>46,281</b>	<b>46,281</b>	<b>-</b>
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>-</b>	<b>(25,448)</b>	<b>(8,295)</b>	<b>17,153</b>
<b>Fund Balances, Beginning of Year</b>	<b>502,886</b>	<b>502,886</b>	<b>502,886</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ 502,886</b>	<b>\$ 477,438</b>	<b>\$ 494,591</b>	<b>\$ 17,153</b>

See independent auditors' report.

**Village of Choudrant**  
**Notes To Budgetary Comparison Schedule**  
**For The Year Ended June 30, 2018**

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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, 2018**

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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>
<b>Total Compensation, Benefits and Other Payments</b>	<b><u>\$ 19,598</u></b>

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

Fax (318) 322-5121

## **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  
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, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Village of Choudrant's basic financial statements, and have issued our report thereon dated January 28, 2019.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village of Choudrant's internal control over financial reporting (internal control) to determine the 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'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,  
Choudrant, Louisiana  
Page 2

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Choudrant'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 determination of financial statement amounts. 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 2018-01.

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Village of Choudrant's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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  
January 28, 2019



**Village of Choudrant  
Schedule of Findings and Responses  
For The Year Ended June 30, 2018**

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**Section II - Financial Statement Findings**

**2018-01 Noncompliance with State Law**

**Criteria:** Louisiana Revised Statute 24:513 requires that the Village of Choudrant submit its audited financial statements to the Louisiana Legislative Auditor no later than six months after the end of the most recent fiscal year.

**Condition:** The audited financial statements were not transmitted to the Louisiana Legislative Auditor within the time frame prescribed by law. Therefore the Village was not in compliance with state law.

**Cause:** The auditing firm was unable to begin the audit engagement because it did not receive trial balances and other financial records until January 14, 2019.

**Effect:** The Village is in noncompliance with state law.

**Recommendation to Prevent Future Occurrences:** The Village should make its records available to the auditor in enough time for the auditor to perform and submit the engagement to the Louisiana Legislative Auditor.

**Management's Response:** The Village will make every effort to make its information available to the auditor in a timely manner in the future.

**Section III - Federal Award Findings and Question Costs**

This section is not applicable for this entity.

**Village of Choudrant  
Schedule of Prior Year Findings  
For the Year Ended June 30, 2018**

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**Internal Control and Compliance Material to the Financial Statements**

**2017-01 Budget Authority and Control**

**Condition:**

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

**Recommendation:**

We recommend that the Village monitor its budget on a regular basis so that amendments can be made in a timely manner in order to comply with state budget laws.

**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, 2018**

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**Section II- Financial Statement Findings**

**2018-01 Noncompliance with State Law**

**Condition:** The audited financial statements were not transmitted to the Louisiana Legislative Auditor within the time frame prescribed by law. Therefore the Village was not in compliance with state law.

**Recommendation to Prevent Future Occurrences:** The Village should make its records available to the auditor in enough time for the auditor to perform and submit the engagement to the Louisiana Legislative Auditor.

**Management's Response:** The Village will make every effort to make its information available to the auditor in a timely manner in the future.

# CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

*Certified Public Accountants*

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

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Fax (318) 322-5121

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Village of Choudrant and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Village of Choudrant (Village) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Village's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

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1. Obtain and inspect the Village's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the Village's operations):<sup>1</sup>
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g.

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<sup>1</sup> For governmental organization, the practitioner may eliminate those categories and subcategories that do not apply to the organization's operations. For quasi-public organizations, including non-profits, the practitioner may eliminate those categories and subcategories that do not apply to public funds administered by the quasi-public.

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

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics<sup>2</sup>**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Village's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Findings:** Forty exceptions noted where the written policies and procedures of the Village did not contain the detailed requirements of the Louisiana Legislative Auditor listed above; primarily because the Village does not have written policies and procedures.

### ***Board or Finance Committee<sup>3</sup>***

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- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general

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<sup>2</sup> The Louisiana Code of Ethics is generally not applicable to non-profit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a non-profit, the non-profit should have written policies and procedures relating to ethics.

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

fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.<sup>4</sup> *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the Village's collections during the fiscal period.*

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

**Findings:** No exceptions noted.

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Village's main operating account. Select the Village's main operating account and randomly select 4 additional accounts<sup>5</sup> (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Findings:** Four exceptions noted where the bank reconciliations did not include evidence that a member of management who does not handle cash, post ledgers, or issue checks have reviewed each bank reconciliation. Four exceptions noted where management did not have documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date

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<sup>4</sup> Major funds are defined under GASB standards. The related procedure addresses major funds as a way to verify that boards are provided with financial information necessary to make informed decisions about significant Village operations, including proprietary operations that are not required to be budgeted under the LGBA.

<sup>5</sup> Accounts selected may exclude savings and investment accounts that are not part of the Village's daily business operations.

## **Collections**

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4. Obtain a listing of deposit sites<sup>6</sup> for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

**Findings:** We obtained the listing and management's representation.

5. For each deposit site selected, obtain a listing of collection locations<sup>7</sup> and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

**Findings:** Two exceptions noted where the same employees who are responsible for collecting cash are responsible for preparing/making bank deposits. Two exceptions noted where employees responsible for collecting cash are also responsible for posting collection entries to the general ledger. Two exceptions noted where employees responsible for reconciling cash collections to the general ledger are also responsible for collecting cash.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

**Findings:** No exceptions noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day)<sup>8</sup>. *Alternately, the practitioner may use a source*

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<sup>6</sup> A deposit site is a physical location where a deposit is prepared and reconciled.

<sup>7</sup> A collection location is a physical location where cash is collected. The Village may have one or more collection locations whose collections are brought to a deposit site for deposit.

<sup>8</sup> If "bank reconciliations" have been rotated off for Year 2, the practitioner should insert a procedure with the same selection methodology that would have been used for bank reconciliations.

*document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

**Findings:** No exceptions noted.

### ***Management's Response***

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We concur with the results of the procedures and are working diligently to improve controls.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Cameron Hines & Company (APAC)*

West Monroe, Louisiana  
January 23, 2019