

**VILLAGE OF CHATAIGNIER, LOUISIANA**

Financial Report

Year Ended June 30, 2014

## TABLE OF CONTENTS

	<u>Page</u>
Accountants' Compilation Report	1-2
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	5
Statement of activities	6
FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental fund	9
Reconciliation of the governmental fund balance sheet to the statement of net position	10
Statement of revenues, expenditures, and changes in fund balance - governmental fund	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental fund to the statement of activities	12
Statement of net position - proprietary fund	13
Statement of revenues, expenses, and changes in fund net position - proprietary fund	14
Statement of cash flows - proprietary fund	15
Notes to basic financial statements	16-25
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule: General Fund	27
OTHER SUPPLEMENTAL INFORMATION	
Schedule of insurance in force	29

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## OFFICES

C Burton Kolder, CPA\*  
Russell F Champagne, CPA\*  
Victor R Slaven, CPA\*  
Gerald A Thibodeaux, Jr., CPA\*  
Robert S Carter, CPA\*  
Arthur R Mixon, CPA\*  
Penny Angelle Scruggins, CPA  
Christine C Doucet, CPA  
Wanda F Arcement, CPA, CVA

Stephen J Anderson, CPA  
Bryan K Joubert, CPA  
Matthew E Margaglio, CPA  
Allen J LaBry, CPA  
Albert R Leger, CPA,PFS,CSA\*  
Marshall W Gundry, CPA  
Stephen R Moore, Jr., CPA,PFS,CFP®,ChFC®\*  
James R Roy, CPA  
Robert J Metz, CPA  
Alan M Taylor, CPA  
Kelly M Doucet, CPA  
Mandy B Self, CPA  
Paul L Delcambre, Jr., CPA  
Kristin B Dautat, CPA  
Jane R Hebert, CPA  
W Jeffrey Lowry, CPA  
Brad E Kolder, CPA, JD  
Casey L Ardoin, CPA  
Deidre L Stock, CPA  
Karen V Fontenot, CPA

183 South Beadle Rd  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

450 East Main Street  
New Iberna, LA 70560  
Phone (337) 367-9204  
Fax (337) 367-9208

113 East Bndge St  
Breaux Bndge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

1234 David Dr Ste 203  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

1013 Main Street  
Franklin, LA 70538  
Phone (337) 828-0272  
Fax (337) 828-0290

434 East Main Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

133 East Waddil St  
Marksville LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

332 West Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

1428 Metro Dnve  
Alexandria, LA 71301  
Phone (318) 442-4421  
Fax (318) 442-9833

## ACCOUNTANTS' COMPILATION REPORT

WEB SITE  
[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

Retired  
Conrad O Chapman, CPA\* 2006

\* A Professional Accounting Corporation

To the Board of Aldermen  
Village of Chataignier, Louisiana

We have compiled the accompanying financial statements of the governmental activities, the business-type activities and the major fund of the Village of Chataignier (Village), as of and for the year ended June 30, 2014, which collectively comprise the Village's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements, and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Village of Chataignier is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 27 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information has been compiled by us without audit or review and accordingly, we do not express an opinion or provide any assurance on it.

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context.

The supplemental information on page 29 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Ville Platte, Louisiana  
December 18, 2014

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

VILLAGE OF CHATAIGNIER, LOUISIANA

Statement of Net Position

June 30, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and interest-bearing deposits	\$ 85,220	\$ 16,184	\$ 101,404
Receivables	5,208	4,096	9,304
Due from other governmental units	-	4,100	4,100
Capital assets, net	<u>247,975</u>	<u>737,777</u>	<u>985,752</u>
Total assets	<u>338,403</u>	<u>762,157</u>	<u>1,100,560</u>
LIABILITIES			
Accounts payable	-	13,974	13,974
Noncurrent liabilities:			
Customers deposits payable	<u>-</u>	<u>3,332</u>	<u>3,332</u>
Total liabilities	<u>-</u>	<u>17,306</u>	<u>17,306</u>
NET POSITION			
Net investment in capital assets	247,975	737,777	985,752
Unrestricted	<u>90,428</u>	<u>7,074</u>	<u>97,502</u>
Total net position	<u>\$338,403</u>	<u>\$744,851</u>	<u>\$1,083,254</u>

See accompanying notes and accountants' report.

VILLAGE OF CHATAIGNIER, LOUISIANA

Statement of Activities  
For the Year Ended June 30, 2014

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 32,291	\$ 7,489	\$ -	\$ (24,802)	\$ -	\$ (24,802)
Public safety	15,765	6,218	-	(9,547)	-	(9,547)
Public works	27,312	-	-	(27,312)	-	(27,312)
Culture and recreation	<u>5,562</u>	<u>-</u>	<u>-</u>	<u>(5,562)</u>	<u>-</u>	<u>(5,562)</u>
Total governmental activities	80,930	13,707	-	(67,223)	-	(67,223)
Business-type activities:						
Sewer	<u>106,512</u>	<u>28,861</u>	<u>30,598</u>	<u>-</u>	<u>(47,053)</u>	<u>(47,053)</u>
Total	<u>\$ 187,442</u>	<u>\$ 42,568</u>	<u>\$ 30,598</u>	<u>(67,223)</u>	<u>(47,053)</u>	<u>(114,276)</u>
General revenues:						
Taxes -						
Property and sales taxes, levied for general purposes				29,261	-	29,261
Franchise tax				16,738	-	16,738
Grants and contributions not restricted to specific programs -						
State sources				3,306	-	3,306
Interest and investment earnings				85	-	85
Miscellaneous				9,425	-	9,425
Transfers				<u>(3,250)</u>	<u>3,250</u>	<u>-</u>
Total general revenues				<u>55,565</u>	<u>3,250</u>	<u>58,815</u>
Change in net position				(11,658)	(43,803)	(55,461)
Net position - July 1, 2013				<u>350,061</u>	<u>788,654</u>	<u>1,138,715</u>
Net position - June 30, 2014				<u>\$ 338,403</u>	<u>\$ 744,851</u>	<u>\$ 1,083,254</u>

See accompanying notes and accountants' report.

**FUND FINANCIAL STATEMENTS (FFS)**

## **MAJOR FUND DESCRIPTIONS**

### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

### **Enterprise Fund**

#### **Sewer Fund** -

To account for the provision of sewerage services to residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

VILLAGE OF CHATAIGNIER, LOUISIANA

Balance Sheet  
Governmental Fund - General Fund  
June 30, 2014

ASSETS

Cash and interest-bearing deposits	\$ 85,220
Revenue receivable	<u>5,208</u>
Total assets	<u>\$ 90,428</u>

FUND BALANCE

Fund balance:	
Unassigned	<u>\$ 90,428</u>

See accompanying notes and accountants' report.

VILLAGE OF CHATAIGNIER, LOUISIANA

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2014

Total fund balances for governmental funds at June 30, 2014		\$ 90,428
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	25,964	
Buildings, net of \$235,998 accumulated depreciation	64,904	
Equipment, net of \$94,678 accumulated depreciation	868	
Infrastructure, net of \$187,409 accumulated depreciation	<u>156,239</u>	<u>247,975</u>
Net position at June 30, 2014		<u>\$ 338,403</u>

See accompanying notes and accountants' report.

VILLAGE OF CHATAIGNIER, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance-  
 Governmental Fund - General Fund  
 For the Year Ended June 30, 2014

Revenues:	
Taxes	\$ 29,261
Licenses and permits	7,489
Franchise tax	16,738
Intergovernmental	3,306
Fines and forfeits	6,218
Rental income	2,525
Interest	85
Miscellaneous	<u>6,900</u>
Total revenues	<u>72,522</u>
Expenditures:	
Current -	
General government	31,391
Recreation	3,962
Public safety	12,850
Public works	<u>11,730</u>
Total expenditures	<u>59,933</u>
Excess of revenues over expenditures	12,589
Other financing uses:	
Transfers out	<u>(3,250)</u>
Net change in fund balance	9,339
Fund balance, beginning	<u>81,089</u>
Fund balance, ending	<u>\$90,428</u>

See accompanying notes and independent accountants' review report.

VILLAGE OF CHATAIGNIER, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Fund  
to the Statement of Activities  
For the Year Ended June 30, 2014

Total net changes in fund balance for the year ended June 30, 2014 per statement of revenues, expenditures and changes in fund balance	\$ 9,339
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense	
Depreciation expense	<u>(20,997)</u>
Change in net position for the year ended June 30, 2014 per statement of activities	<u>\$ (11,658)</u>

See accompanying notes and accountants' report.

VILLAGE OF CHATAIGNIER, LOUISIANA

Statement of Net Position  
Proprietary Fund - Enterprise Fund  
June 30, 2014

ASSETS

Current assets:	
Cash	\$ 16,184
Accounts receivable	4,096
Due from other governmental units	<u>4,100</u>
Total current assets	24,380
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>737,777</u>
Total assets	<u>762,157</u>

LIABILITIES

Current liabilities:	
Accounts payable	13,974
Noncurrent liabilities:	
Customers' deposits	<u>3,332</u>
Total liabilities	<u>17,306</u>

NET POSITION

Net investment in capital assets	737,777
Unrestricted	<u>7,074</u>
Total net position	<u>\$ 744,851</u>

See accompanying notes and accountants' report.

VILLAGE OF CHATAIGNIER, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position  
 Proprietary Fund - Enterprise Fund  
 For the Year Ended June 30, 2014

Operating revenues:	
Charges for services	\$ 26,517
Penalty income	<u>2,344</u>
Total operating revenues	<u>28,861</u>
Operating expenses:	
Depreciation expense	44,438
Insurance	1,878
Office expense	937
Repairs and maintenance	39,598
Salaries and related benefits	9,300
Fees and testing expenses	2,013
Utilities	<u>8,348</u>
Total operating expenses	<u>106,512</u>
Loss before transfers and capital contributions	(77,651)
Capital contributions	<u>30,598</u>
Loss before transfers	(47,053)
Transfers in	<u>3,250</u>
Change in net position	(43,803)
Net position, beginning	<u>788,654</u>
Net position, ending	<u>\$ 744,851</u>

See accompanying notes and accountants' report.

VILLAGE OF CHATAIGNIER, LOUISIANA

Statement of Cash Flows  
Proprietary Fund Type-Enterprise Fund  
Year Ended June 30, 2014

Cash flows from operating activities:	
Operating loss	\$(77,651)
Adjustments to reconcile operating loss to net cash used by operating activities -	
Depreciation	44,438
Increase in accounts receivable	(496)
Increase in due from other governmental units	(4,100)
Increase in accounts payable	<u>13,974</u>
Net cash used by operating activities	<u>(23,835)</u>
 Cash flows from noncapital financing activities:	
Transfers from other funds	<u>3,250</u>
 Cash flows from capital and related financing activities:	
Proceeds from capital contribution	<u>30,598</u>
 Net increase in cash and cash equivalents	10,013
 Cash and cash equivalents, beginning	<u>6,171</u>
 Cash and cash equivalents, ending	<u>\$ 16,184</u>

See accompanying notes and accountants' report.

## VILLAGE OF CHATAIGNIER, LOUISIANA

### Notes to Basic Financial Statements

#### (1) Summary of Significant Accounting Policies

The accompanying financial statements of the Village of Chataignier (Village) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

##### A. Financial Reporting Entity

The Village of Chataignier was incorporated in 1972, under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Alderman form of government and provides the following services: public safety, highway and streets, sanitation, culture and recreation, and general administrative services.

This report includes all funds and activities that are controlled by the Village as an independent political subdivision of the State of Louisiana. There are no component units required to be reported in conformity with generally accepted accounting principles.

##### B. Basis of Presentation

###### Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the Village, the primary government, as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Village and for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, 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.

VILLAGE OF CHATAIGNIER, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

The accounts of the Village are organized and operated 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 is maintained consistent with legal and managerial requirements.

The various funds of the Village are classified into two categories: governmental and proprietary. 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 Village or meets the following criteria:

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

The major funds of the Village are described below:

Governmental Fund -

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 of Chataignier's enterprise fund is the Sewer Fund.

VILLAGE OF CHATAIGNIER, LOUISIANA

Notes to Basic Financial Statements (Continued)

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

VILLAGE OF CHATAIGNIER, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the Village's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Village's general revenues.

Allocation of indirect expenses

The Village reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows or Resources, Liabilities, Deferred Inflows of Resources and Equity

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 deposits of the Village. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

VILLAGE OF CHATAIGNIER, LOUISIANA

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customer's utility service receivables as their major receivable. Uncollectible utility service receivables are recognized as bad debts at the time written off.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical 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 \$5,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated 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 estimated useful lives by type of asset is as follows:

Buildings	30 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	20 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.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows or outflows as of June 30, 2014.

VILLAGE OF CHATAIGNIER, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- a. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances of the governmental funds are classified as follows.

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Village’s Mayor and Board of Aldermen, which is the highest level of decision-making authority for the Village.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Village’s adopted policy, only the Council may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

VILLAGE OF CHATAIGNIER, LOUISIANA

Notes to Basic Financial Statements (Continued)

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Village has provided otherwise in his commitment or assignment actions.

Enterprise (Utility) Fund equity at the fund level is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

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.

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.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Budgets

A budget for the General Fund for the year ended June 30, 2014 was adopted in accordance with LSA-R.S. 39:1301, cited as the "Louisiana Local Government Budget Act." Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Village.

VILLAGE OF CHATAIGNIER, LOUISIANA

Notes to Basic Financial Statements (Continued)

G. Compensated Absences

The Village has no policy relating to compensated absences. Any liability the Village might have in this regard at June 30, 2014 is considered immaterial; therefore, no liability has been recorded in the accounts.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Village may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Village may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2014, the Village has cash and interest-bearing deposits (book balances) totaling \$101,404 as follows:

Demand deposits	\$ 43,259
Time and savings deposits	<u>58,145</u>
Total	<u>\$ 101,404</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Village's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2014 in the amount of \$103,182 were secured in total by federal deposit insurance.

VILLAGE OF CHATAIGNIER, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Receivables

Receivables at June 30, 2014 of \$9,304 consist of the following:

	<u>General</u>	<u>Sewer</u>	<u>Total</u>
Accounts	\$ -	\$ 4,096	\$ 4,096
DOTD maintenance	1,485	-	1,485
Sales tax	<u>3,723</u>	<u>-</u>	<u>3,723</u>
	<u>\$ 5,208</u>	<u>\$ 4,096</u>	<u>\$ 9,304</u>

(4) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2014 consist of Community Development Block Grant funds due from the Louisiana Division of Administration.

(5) Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Balance</u> <u>7/1/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2014</u>
Governmental activities:				
Land	\$ 25,964	\$ -	\$ -	\$ 25,964
Buildings and improvements	300,902	-	-	300,902
Equipment	95,546	-	-	95,546
Street improvements	<u>343,648</u>	<u>-</u>	<u>-</u>	<u>343,648</u>
Totals	<u>766,060</u>	<u>-</u>	<u>-</u>	<u>766,060</u>
Less: accumulated depreciation				
Buildings and improvements	232,762	3,236	-	235,998
Equipment	94,100	578	-	94,678
Street improvements	<u>170,226</u>	<u>17,183</u>	<u>-</u>	<u>187,409</u>
Total accumulated depreciation	<u>497,088</u>	<u>20,997</u>	<u>-</u>	<u>518,085</u>
Governmental activities, capital assets, net	<u>\$ 268,972</u>	<u>\$ (20,997)</u>	<u>\$ -</u>	<u>\$ 247,975</u>
Business-type activities:				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Systems and extensions	1,406,548	-	-	1,406,548
Equipment	<u>5,236</u>	<u>-</u>	<u>-</u>	<u>5,236</u>
Totals	1,421,784	-	-	1,421,784
Total accumulated depreciation	<u>639,569</u>	<u>44,438</u>	<u>-</u>	<u>684,007</u>
Business-type activities, capital assets, net	<u>\$ 782,215</u>	<u>\$ (44,438)</u>	<u>\$ -</u>	<u>\$ 737,777</u>

VILLAGE OF CHATAIGNIER, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and billed to the taxpayers in December. Billed taxes become delinquent on January 1 of the following year.

For the year ended June 30, 2014, taxes of 5.74 mills were levied on property with assessed valuations totaling \$824,240. Total taxes levied were \$4,731.

(7) Board Members' Compensation

The Village paid the mayor and aldermen the following salaries:

Jackie Thomas	\$3,600
Nicholas Papillion	100
Gail McDavid	800
Joseph Semien	1,200
Lucy Green	<u>1,200</u>
Total	<u>\$6,900</u>

(8) Risk Management

The Village is exposed to risks of loss in the areas of general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year nor have settlements exceeded coverage for the past three years. Due to the current insurance market conditions, the Village is retaining the risk for its general liability exposures in areas where there is no affordable insurance coverage available.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

VILLAGE OF CHATAIGNIER, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>Revenues:</b>				
Taxes	\$ 13,876	\$ 18,101	\$ 29,261	\$ 11,160
Licenses and permits	18,084	16,080	7,489	(8,591)
Franchise tax	18,000	19,882	16,738	(3,144)
Intergovernmental	2,900	1,875	3,306	1,431
Fines and forfeitures	8,400	6,218	6,218	-
Rental income	2,700	2,725	2,525	(200)
Interest	355	73	85	12
Miscellaneous	<u>6,900</u>	<u>6,900</u>	<u>6,900</u>	<u>-</u>
Total revenues	<u>71,215</u>	<u>71,854</u>	<u>72,522</u>	<u>668</u>
<b>Expenditures:</b>				
Current -				
General government	30,960	28,617	31,391	(2,774)
Recreation	3,092	4,283	3,962	321
Public safety	10,003	13,848	12,850	998
Public works	<u>8,820</u>	<u>11,884</u>	<u>11,730</u>	<u>154</u>
Total expenditures	<u>52,875</u>	<u>58,632</u>	<u>59,933</u>	<u>(1,301)</u>
Excess of revenues over expenditures	18,340	13,222	12,589	(633)
<b>Other financing uses:</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(3,250)</u>	<u>(3,250)</u>
Change in fund balance	18,340	13,222	9,339	(3,883)
Fund balance, beginning	<u>81,089</u>	<u>81,089</u>	<u>81,089</u>	<u>-</u>
Fund balance, ending	<u>\$ 99,429</u>	<u>\$ 94,311</u>	<u>\$ 90,428</u>	<u>\$ (3,883)</u>

See accountants' report.

**OTHER SUPPLEMENTARY INFORMATION**

VILLAGE OF CHATAIGNIER, LOUISIANA

Schedule of Insurance in Force  
June 30, 2014

Description of Coverage	Expiration Date	Coverage Amounts
Workmen's Compensation: Louisiana Worker's Compensation Corporation		Statutory
Commercial property insurance:		
Office building - 226 Martin Luther King Drive	8/27/14	77,000
Shed - 161 Church Street	8/27/14	3,000
Automobile liability	12/6/14	500,000
Commercial general liability	12/6/14	500,000
Errors and omissions	12/6/14	500,000
Law enforcement officer	12/6/14	500,000