

**VILLAGE OF EDGEFIELD
ANNUAL FINANCIAL REPORT**

DECEMBER 31, 2023

Village of Edgefield
Financial Report
December 31, 2023

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Village of Edgefield

P. O. Box 397
Coushatta, La 71019

MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year Ended December 31, 2023

This section of the Village of Edgefield's (hereafter referred to as the Village) annual financial report presents an overview and analysis of the Village's financial activities for the year ended December 31, 2023. The intent of the MD&A is to look at the Village's financial performance as a whole. It should therefore be read in conjunction with this report. Certain comparative information is presented to provide an overview of the Village's operations.

Financial Highlights

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

Government-Wide Financial Statements

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

Fund Financial Statements

The services provided by the Village are financed through a governmental fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village conducts its day-to-day operations through a governmental fund, the General Fund, and a business-type activity, the Village's utility system. These statements provide a short-term view of the Village's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Village.

Governmental Activities

- The Village's assets exceeded its liabilities by \$196,056 (net position) for the year. This is an increase of \$13,884 from prior year.
- Unrestricted net position of \$187,939 represents the portion available to maintain the Village's obligations to both citizens and creditors. For the prior year, this was \$173,730.

Business Type Activities

The Proprietary Fund experienced a decrease in net position of \$15,771 for the year. For the prior year, there was a decrease in net position of \$27,249.

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

Summary of Statement of Net Position

	December 31, 2023			December 31, 2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
ASSETS:						
Current Assets	\$ 187,939	\$ 232,171	\$ 420,110	\$ 173,730	\$ 240,051	\$ 413,781
Restricted Assets	-	13,000	13,000	-	13,019	13,019
Capital Assets, Net of Accumulated Depreciation	8,117	60,677	68,794	8,442	71,079	79,521
Total Assets	<u>\$ 196,056</u>	<u>\$ 305,848</u>	<u>\$ 501,904</u>	<u>\$ 182,172</u>	<u>\$ 324,149</u>	<u>\$ 506,321</u>
LIABILITIES:						
Accrued Expenses	\$ -	\$ 2,647	\$ 2,647	\$ -	\$ 5,158	\$ 5,158
Customer Deposits Payable	-	13,000	13,000	-	13,019	13,019
Total Liabilities	<u>\$ -</u>	<u>\$ 15,647</u>	<u>\$ 15,647</u>	<u>\$ -</u>	<u>\$ 18,177</u>	<u>\$ 18,177</u>
NET POSITION:						
Net Investment in Capital Assets	\$ 8,117	\$ 60,677	\$ 68,794	\$ 8,442	\$ 71,079	\$ 79,521
Unrestricted	187,939	229,524	417,463	173,730	234,893	408,623
Net Position	<u>\$ 196,056</u>	<u>\$ 290,201</u>	<u>\$ 486,257</u>	<u>\$ 182,172</u>	<u>\$ 305,972</u>	<u>\$ 488,144</u>

Summary of Statement of Net Position

	December 31, 2023			December 31, 2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
REVENUES:						
Charges for Services	\$ 27,041	\$ 93,209	\$ 120,250	\$ 25,667	\$ 94,139	\$ 119,806
Licenses & Permits	11,246	-	11,246	12,441	-	12,441
Intergovernmental	-	-	-	-	35,562	35,562
Other	4,187	927	5,114	11,275	460	11,735
Total Revenues	<u>\$ 42,474</u>	<u>\$ 94,136</u>	<u>\$ 136,610</u>	<u>\$ 49,383</u>	<u>\$ 130,161</u>	<u>\$ 179,544</u>
EXPENSES						
General Government	\$ 9,667	\$ -	\$ 9,667	\$ 10,707	\$ -	\$ 10,707
Public Works	18,923	109,907	128,830	17,976	129,110	147,086
Transfers	-	-	-	(28,300)	28,300	-
Total Expenses	<u>\$ 28,590</u>	<u>\$ 109,907</u>	<u>\$ 138,497</u>	<u>\$ 383</u>	<u>\$ 157,410</u>	<u>\$ 157,793</u>
Change in Net Position	<u>\$ 13,884</u>	<u>\$ (15,771)</u>	<u>\$ (1,887)</u>	<u>\$ 49,000</u>	<u>\$ (27,249)</u>	<u>\$ 21,751</u>

General Fund Budgetary Highlights

The Village adopted a budget for the General Fund for the 2023 year. Actual revenues were \$993 less than budgeted revenues and actual expenditures were \$176 less than budgeted expenditures which are within the 5% variance allowed.

Economic Factors and Next Year's Budget

The Village has prepared its 2024 budget for the General Fund on the assumption that revenues and expenditures will remain fairly constant next year. Both revenues and expenditures for the Enterprise Fund should also remain constant during the next year.

Capital Assets

The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2023 amounts to \$68,794 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and infrastructure. Additional information on the Village of Edgefield's capital assets can be found on page 24 of this report.

Contacting the Village

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Village at P. O. Box 397, Coushatta, LA 71019.

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To the Mayor and Board of Aldermen of
the Village of Edgefield, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities, the business-type activities and major funds of the Village of Edgefield (Village) as of and for the year ended December 31, 2023, and the related notes to the financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule, listed as required supplementary information in the table of contents, be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This information is the representation of management. We have not performed an audit, review or compilation on the required supplementary information and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on such information.

Supplementary Information

The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement, but we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

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

May 2, 2024
Natchitoches, LA 71457

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Village of Edgefield
Statement of Net Position
December 31, 2023

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash & Cash Equivalents	\$ 174,921	\$ 218,219	\$ 393,140
Revenue Receivable	<u>13,018</u>	<u>13,952</u>	<u>26,970</u>
Total Current Assets	<u>\$ 187,939</u>	<u>\$ 232,171</u>	<u>\$ 420,110</u>
Non-current Assets:			
Restricted Assets-			
Customers' Meter Deposits	\$ -	\$ 13,000	\$ 13,000
Capital Assets (net)	<u>8,117</u>	<u>60,677</u>	<u>68,794</u>
Total Non-current Assets	<u>\$ 8,117</u>	<u>\$ 73,677</u>	<u>\$ 81,794</u>
Total Assets	<u>\$ 196,056</u>	<u>\$ 305,848</u>	<u>\$ 501,904</u>
LIABILITIES:			
Current Liabilities:			
Accrued Expenses	\$ -	\$ 2,647	\$ 2,647
Non-current Liabilities			
Payable from Restricted Assets-			
Customers' Meter Deposits	<u>\$ -</u>	<u>13,000</u>	<u>13,000</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 15,647</u>	<u>\$ 15,647</u>
NET POSITION			
Net Investment in Capital Assets	\$ 8,117	\$ 60,677	\$ 68,794
Unrestricted	<u>187,939</u>	<u>229,524</u>	<u>417,463</u>
Total Net Position	<u>\$ 196,056</u>	<u>\$ 290,201</u>	<u>\$ 486,257</u>

See accompanying notes and independent accountant's compilation report.

Village of Edgefield
Statement of Activities
December 31, 2023

Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
General Government	\$ 9,667	\$ -	\$ -	\$ (9,667)	\$ -	\$ (9,667)
Public Works	18,923	27,041	-	8,118	-	8,118
Total Governmental Activities	28,590	27,041	-	(1,549)	-	(1,549)
Business-Type Activities						
Water/Sewer	109,907	93,209	-	-	(16,698)	(16,698)
Total Government	\$ 138,497	\$ 120,250	\$ -	\$ (1,549)	\$ (16,698)	\$ (18,247)
General Revenues						
License & Permits				\$ 11,246	\$ -	\$ 11,246
Miscellaneous				4,187	927	5,114
Transfer				-	-	-
Total General Revenues				\$ 15,433	\$ 927	\$ 16,360
Change in Net Position				\$ 13,884	\$ (15,771)	\$ (1,887)
Net Position-January 1, 2023				182,172	305,972	488,144
Net Position-December 31, 2023				\$ 196,056	\$ 290,201	\$ 486,257

FUND FINANCIAL STATEMENTS

Village of Edgefield
Balance Sheet - Governmental Fund
December 31, 2023

	<u>General Fund</u>
ASSETS:	
Cash & Cash Equivalents	\$ 174,921
Revenue Receivable	<u>13,018</u>
Total Assets	<u>\$ 187,939</u>
FUND BALANCE:	
Unassigned	<u>\$ 187,939</u>

See accompanying notes and independent accountant's compilation report.

Village of Edgefield
Reconciliation of Governmental Fund
Balance Sheet to the Statement of Net Position
December 31, 2023

Total Fund Balance for the Governmental Fund at December 31, 2023	\$ 187,939
Amounts reported for Governmental Activities in the Statement of Net Positions are different because:	
Capital Assets used in Governmental Activities are not current financial resources; and, therefore, are not reported in the Governmental Funds Balance Sheet-	
Land, Equipment, Buildings, and Vehicles	16,800
Less: Accumulated Depreciation	<u>(8,683)</u>
Total Net Position of Governmental Activities at December 31, 2023	<u>\$ 196,056</u>

See accompanying notes and independent accountant's compilation report.

Village of Edgefield
Statement of Revenues, Expenditures, and Changes in Fund Balance-
Governmental Fund
December 31, 2023

	<u>General Fund</u>
REVENUES:	
Licenses & Permits	\$ 11,246
Charges for Services	27,041
Miscellaneous	<u>4,187</u>
Total Revenues	<u>\$ 42,474</u>
EXPENDITURES:	
Current-	
General Government-	
Insurance	\$ 1,225
Utilities	6,457
Professional Services	1,200
Office	460
Public Works-	
Garbage Expense	<u>18,923</u>
Total Expenditures	<u>\$ 28,265</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 14,209
Fund Balance-Beginning of Year	<u>173,730</u>
Fund Balance-End of Year	<u>\$ 187,939</u>

See accompanying notes and independent accountant's compilation report.

Village of Edgefield
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
December 31, 2023

Net change in fund balance-governmental fund	\$ 14,209
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Depreciation expense on capital assets is reported in the government-wide financial statements, but does not require the use of current financial resources and is not reported in the fund financial statements.	<u>(325)</u>
Change in net position per statement of activities at December 31, 2023	<u>\$ 13,884</u>

See accompanying notes and independent accountant's compilation report.

Village of Edgefield
Statement of Net Position
Proprietary Fund
December 31, 2023

ASSETS:	<u>Water/Sewer Total</u>
Current Assets:	
Cash & Cash Equivalents	\$ 218,219
Revenue Receivable	<u>13,952</u>
Total Current Assets	<u>\$ 232,171</u>
Non-current Assets:	
Restricted Assets-	
Customers' Meter Deposits	\$ 13,000
Capital Assets (net)	<u>60,677</u>
Total Non-current Assets	<u>\$ 73,677</u>
Total Assets	<u>\$ 305,848</u>
LIABILITIES:	
Current Liabilities:	
Accrued Expenses	\$ 2,647
Non-current Liabilities	
Payable from Restricted Assets-	
Customers' Meter Deposits	<u>13,000</u>
Total Liabilities	<u>\$ 15,647</u>
NET POSITION.	
Net Investment in Capital Assets	\$ 60,677
Unrestricted	<u>229,524</u>
Total Net Position	<u>\$ 290,201</u>

See accompanying notes and independent accountant's compilation report.

Village of Edgefield
Statement of Revenues, Expenses, and Changes in Net Position-
Proprietary Fund
December 31, 2023

	<u>Water Sewer</u> <u>Total</u>
Operating Revenues.	
Charges for Services	<u>\$ 93,209</u>
Operating Expenses:	
Personnel Services	\$ 14,860
Operations & Maintenance	84,645
Depreciation	<u>10,402</u>
Total Operating Expenses	<u>\$ 109,907</u>
Income from Operations	<u>\$ (16,698)</u>
Non-Operating Revenues.	
Intergovernmental Revenue	\$ -
Interest Income	<u>927</u>
Total Non-Operating Revenues	<u>\$ 927</u>
Income Before Transfers	\$ (15,771)
Transfer Out	<u>-</u>
Change in Net Position	\$ (15,771)
Total Net Position at Beginning of Year	<u>305,972</u>
Total Net Position at End of Year	<u>\$ 290,201</u>

See accompanying notes and independent accountant's compilation report.

Village of Edgefield
Statement of Cash Flows
Proprietary Fund
December 31, 2023

	<u>Water/Sewer</u> <u>Total</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 86,761
Cash Paid to Suppliers	(87,158)
Cash Paid to Employees	<u>(14,860)</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ (15,257)</u>
Cash Flows from Capital and Related Financing Activities	
Intergovernmental Grant	\$ -
Transfer In	<u>-</u>
Net Cash Provided by Capital & Related Financing	<u>\$ -</u>
Cash Flows from Investing Activities:	
Interest and Dividends	<u>\$ 928</u>
Net Increase in Cash & Cash Equivalents	\$ (14,329)
Cash and Cash Equivalents at Beginning of Year	<u>245,548</u>
Cash and Cash Equivalents at End of Year	<u>\$ 231,219</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (16,698)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Depreciation Expense	10,402
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts and Other Receivables	(6,430)
Increase (Decrease) in Accrued Expenses	(2,512)
Increase (Decrease) in Customer Deposits	<u>(19)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (15,257)</u>
Cash & Cash Equivalents-	
Operating Account	\$ 218,219
Customers' Meter Deposits	<u>13,000</u>
Total	<u>\$ 231,219</u>

See accompanying notes and independent accountant's compilation report.

NOTES TO FINANCIAL STATEMENTS

Village of Edgefield
Notes to Financial Statements
December 31, 2023

Introduction:

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

The Village's operations include police, streets and drainage, and general and administrative services. In addition, the Village operates a Utility System which provides water and sewer services.

I. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

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

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

B BASIS OF PRESENTATION-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Position presents the governmental-type activities on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

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

Village of Edgefield
Notes to Financial Statements
December 31, 2023

C. FUND ACCOUNTING-

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

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

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

The Village considers both funds to be major:

Governmental Fund-

General Fund

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

Proprietary Fund-

Enterprise Fund

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Village of Edgefield
Notes to Financial Statements
December 31, 2023

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

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

Accrual Basis – Government-Wide Financial Statements (GWFS)

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

Modified Accrual Basis - Fund Financial Statements (FFS)

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

E. CASH AND INTEREST-BEARING DEPOSITS-

For purposes of the Statement of Net Position and the Statement of Cash Flows, "cash and cash equivalents" include all demand accounts, savings accounts, and certificates of deposit of the Village.

F. CAPITAL ASSETS-

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

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

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

Buildings and improvements	40 years
Equipment and vehicles	3-17 years
Utility system and improvements	10-50 years

Village of Edgefield
Notes to Financial Statements
December 31, 2023

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

G. RESTRICTED ASSETS-

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

H. COMPENSATED ABSENCES-

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

I. EQUITY CLASSIFICATIONS-

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

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

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

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

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

Village of Edgefield
Notes to Financial Statements
December 31, 2023

- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed. amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance

The General Fund has an unassigned fund balance of \$187,939. If applicable, the Village would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

J. ESTIMATES-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, 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 statement and the reported amounts of revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

K. OPERATING REVENUES AND EXPENSES-

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

L. EXPENDITURES EXPENSES-

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

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

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

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

Village of Edgefield
Notes to Financial Statements
December 31, 2023

M BUDGETS AND BUDGETARY ACCOUNTING-

The Village utilizes the following procedures in establishing the budgetary data reflected in the financial statements.

1. The Clerk prepares the budget, which is to be submitted to the Board of Aldermen at the December meeting of the Board.
2. The budget can be amended after adoption, by the Clerk submitting an amended budget to the Board, and adoption by the Board.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget for the General Fund is adopted on the modified accrual basis of accounting

N. INVENTORIES-

Water system supplies used in the proprietary fund are expensed when purchased since the amount on hand, if any, is not material in amount.

O. RETIREMENT COMMITMENTS-

The Village of Edgefield is not covered by any pension system

2. Cash and Cash Equivalents:

The cash and cash equivalents of the Village of Edgefield are subject to the following risk:

Custodial Credit Risk Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village will not be able to recover its deposits. 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 or exceed the amount on deposit with the fiscal agent. 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Village's name.

At December 31, 2023, the Village had cash, cash equivalents, and investments (collected bank balances) totaling \$406,406. Cash and cash equivalents are stated at cost, which approximates market

The deposits at December 31, 2023, were secured as follows:

Cash and Cash Equivalents	\$ 406,406
FDIC Insurance	(250,000)
Pledged Securities	<u>(156,406)</u>
Unsecured	\$ <u>0</u>

Village of Edgefield
Notes to Financial Statements
December 31, 2023

3. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2023, is as follows:

Governmental Activities	Balance 01-01-23	Additions	Deletions	Balance 12-31-23
Capital Assets Not Depreciated:				
Land	\$ <u>1,500</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,500</u>
Capital Assets Depreciated:				
Building	\$ 13,000	\$ 0	\$0	\$ 13,000
Office Equipment & Fixtures	<u>2,300</u>	<u>0</u>	<u>0</u>	<u>2,300</u>
Total Capital Assets Depreciated	\$ <u>15,300</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>15,300</u>
Total Assets	\$ <u>16,800</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>16,800</u>
Less. Accumulated Depreciation				
Building	\$ 6,058	\$ 325	\$0	\$ 6,383
Office Equipment & Fixtures	<u>2,300</u>	<u>0</u>	<u>0</u>	<u>2,300</u>
Total Accumulated Depreciation	\$ <u>8,358</u>	\$ <u>325</u>	\$ <u>0</u>	\$ <u>8,683</u>
Net Capital Assets	\$ <u>8,442</u>	\$ <u>(325)</u>	\$ <u>0</u>	\$ <u>8,117</u>

Business Type Activities	Balance 01-01-23	Additions	Deletions	Balance 12-31-23
Capital Assets Not Depreciated:				
Land	\$ <u>319</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>319</u>
Capital Assets Depreciated:				
Plant & Equipment-Water System	\$261,848	\$ 0	\$0	\$261,848
Plant & Equipment-Sewer System	<u>249,260</u>	<u>0</u>	<u>0</u>	<u>249,260</u>
Total Capital Assets Depreciated	\$ <u>511,108</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>511,108</u>
Total Assets	\$ <u>511,427</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>511,427</u>
Less. Accumulated Depreciation				
Plant & Equipment-Water System	\$194,358	\$ 7,132	\$0	\$201,490
Plant & Equipment-Sewer System	<u>245,990</u>	<u>3,270</u>	<u>0</u>	<u>249,260</u>
Total Accumulated Depreciation	\$ <u>440,348</u>	\$ <u>10,402</u>	\$ <u>0</u>	\$ <u>450,750</u>
Net Capital Assets	\$ <u>71,079</u>	\$ <u>10,402</u>	\$ <u>0</u>	\$ <u>60,677</u>

Depreciation expense of \$325 was charged to the general government function for governmental activities.

Depreciation expense of \$10,402 was charged to water sewer for business-type activities.

Village of Edgefield
Notes to Financial Statements
December 31, 2023

4. Village Officials:

The following is a summary of payments to Village officials during the year

<u>Name</u>	<u>Position</u>	<u>Payments</u>
Jack Terrell	Alderman	\$1,200
Eugene Freeman	Alderman	1,200
Chandra Wilson	Alderman	1,200
Vince Almond	Mayor	<u>1,500</u>
Total		<u>\$5,100</u>

5. Subsequent Events:

Management has evaluated events through May 2, 2024 the date which the financial statements were available for issue.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Village of Edgefield
General Fund
Budgetary Comparison Schedule
December 31, 2023

	<u>Budget</u>			<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES:				
Licenses & Permits	\$ 13,224	\$ 11,960	\$ 11,246	\$ (714)
Charges for Services	25,632	27,028	27,041	13
Miscellaneous	<u>12,180</u>	<u>4,479</u>	<u>4,187</u>	<u>(292)</u>
Total Revenues	<u>\$ 51,036</u>	<u>\$ 43,467</u>	<u>\$ 42,474</u>	<u>\$ (993)</u>
EXPENDITURES:				
Current-				
General Government-				
Insurance	\$ 1,380	\$ 1,225	\$ 1,225	\$ -
Utilities	7,236	6,929	6,457	472
Professional Services	1,200	1,200	1,200	-
Office	828	164	460	(296)
Public Works-				
Garbage Expense	<u>17,495</u>	<u>18,923</u>	<u>18,923</u>	<u>-</u>
Total Expenditures	<u>\$ 28,139</u>	<u>\$ 28,441</u>	<u>\$ 28,265</u>	<u>\$ 176</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 22,897	\$ 15,026	\$ 14,209	\$ (817)
Fund Balance-Beginning of Year	<u>173,730</u>	<u>173,730</u>	<u>173,730</u>	<u>-</u>
Fund Balance-End of Year	<u>\$ 196,627</u>	<u>\$ 188,756</u>	<u>\$ 187,939</u>	<u>\$ (817)</u>

See accompanying notes and independent accountant's compilation report.

SUPPLEMENTARY INFORMATION

Village of Edgefield
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2023

Agency Head Name: Vince Almond, Mayor

<u>Amount</u>	<u>Purpose</u>
Salary	\$1,500
Benefits-Social Security	93
Benefits-Medicare	<u>22</u>
Total	<u>\$1,615</u>