

**VILLAGE OF DOWNSVILLE
LOUISIANA**

**FINANCIAL STATEMENTS
DECEMBER 31, 2019**

VILLAGE OF DOWNSVILLE, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 31, 2019

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ACCOUNTANT'S COMPILATION REPORT

The Honorable Reggie Skains, Mayor
and Council Members
Village of Downsville
P.O. Box 128
Downsville, Louisiana 71234

Management is responsible for the accompanying financial statements of the governmental activities, the business type activities, and each major fund of the Village of Downsville, Louisiana, as of and for the year ended December 31, 2019, which collectively comprise the Village of Downsville's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I 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. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. I do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Village's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Required Supplementary Information

Accounting principles generally accepted in the United states of America require that the budgetary comparison information on page 14 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has omitted the management's discussion and analysis information that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to my compilation engagement. I have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

The supplementary information contained in the schedule of compensation, benefits, and other payments on page 16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to my compilation engagement. I have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

I am not independent with respect to the Village of Downsville.



Don M. McGehee
Certified Public Accountant
June 22, 2020

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities	Business Type Activities	Total
ASSETS			
Current Assets:			
Cash	\$ 5,143	\$ 0	\$ 5,143
Accounts Receivable, net	0	11,777	11,777
Taxes Receivable	1,227	0	1,227
Internal Balances	19,826	(19,826)	0
Prepaid Expenses	321	551	872
Noncurrent Assets:			
Restricted Cash	0	48,400	48,400
Capital Assets, net	463,617	685,183	1,148,800
Other Assets	0	30	30
TOTAL ASSETS	<u>\$ 490,134</u>	<u>\$ 726,115</u>	<u>\$ 1,216,249</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 821	\$ 42,705	\$ 43,526
Accrued Expenses	0	419	419
Accrued Interest Payable	0	153	153
Current Portion of Revenue Bonds Payable	0	10,136	10,136
Noncurrent Liabilities:			
Customer Deposits	0	14,527	14,527
Revenue Bonds Payable	0	86,812	86,812
TOTAL LIABILITIES	<u>821</u>	<u>154,752</u>	<u>155,573</u>
NET POSITION			
Invested in Capital Assets, net of related debt	463,617	588,234	1,051,851
Restricted for Debt Service	0	27,108	27,108
Unrestricted	25,696	(43,979)	(18,283)
TOTAL NET POSITION	<u>489,313</u>	<u>571,363</u>	<u>1,060,676</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 490,134</u>	<u>\$ 726,115</u>	<u>\$ 1,216,249</u>

See accountant's report.

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
PRIMARY GOVERNMENT							
GOVERNMENTAL ACTIVITIES:							
General Government	\$ 5,404	\$ 0	\$ 0	\$ 0	\$ (5,404)	\$ 0	\$ (5,404)
Police	11,223	0	6,000	0	(5,223)	0	(5,223)
Streets	2,557	0	0	0	(2,557)	0	(2,557)
Parks and Recreation	<u>20,570</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(20,570)</u>	<u>0</u>	<u>(20,570)</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>39,754</u>	<u>0</u>	<u>6,000</u>	<u>0</u>	<u>(33,754)</u>	<u>0</u>	<u>(33,754)</u>
BUSINESS-TYPE ACTIVITIES:							
Water and Sewer	<u>112,092</u>	<u>62,034</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(50,058)</u>	<u>(50,058)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 151,846</u>	<u>\$ 62,034</u>	<u>\$ 6,000</u>	<u>\$ 0</u>	<u>(33,754)</u>	<u>(50,058)</u>	<u>(83,812)</u>
GENERAL REVENUES:							
Franchise Tax					4,876	0	4,876
Rent					350	0	350
Licenses					1,050	0	1,050
Investment Earnings					2	81	83
Other Revenue					5	0	5
TRANSFERS					<u>6,188</u>	<u>(6,188)</u>	<u>0</u>
TOTAL GENERAL REVENUES AND TRANSFERS					<u>12,471</u>	<u>(6,107)</u>	<u>6,364</u>
CHANGE IN NET POSITION					(21,283)	(56,165)	(77,448)
NET POSITION-BEGINNING					<u>510,596</u>	<u>627,528</u>	<u>1,138,124</u>
NET POSITION-ENDING					<u>\$ 489,313</u>	<u>\$ 571,363</u>	<u>\$ 1,060,676</u>

See accountant's report.

FUND FINANCIAL STATEMENTS

VILLAGE OF DOWNSVILLE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUND
GENERAL FUND
DECEMBER 31, 2019

ASSETS	
Cash	\$ 5,143
Franchise Tax Receivable	1,227
Due from Water and Sewer Fund	19,826
Prepaid Insurance	<u>321</u>
TOTAL ASSETS	<u>\$ 26,517</u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Accounts Payable	\$ <u>821</u>
TOTAL LIABILITIES	<u>821</u>
 FUND BALANCE:	
Nonspendable--	
Prepaid Insurance	321
Unassigned	<u>25,375</u>
TOTAL FUND BALANCE	<u>25,696</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 26,517</u>

RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Total Fund Balance-Governmental Fund	\$ 25,696
 Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	<u>463,617</u>
 Net Position of Governmental Activities	 <u>\$ 489,313</u>

See accountant's report.

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--GOVERNMENTAL FUND
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

REVENUES	
Franchise Taxes	\$ 4,876
Licenses and Permits	1,050
Intergovernmental	
State Supplemental Pay	6,000
Rent	350
Miscellaneous	5
Interest	<u>2</u>
TOTAL REVENUES	<u><u>12,283</u></u>
EXPENDITURES	
General Government	
Dues	125
Legal and Accounting	1,475
Maintenance of Town Property	70
Insurance	100
Office Supplies	68
Publication	5
Town Hall Expense	3,561
Police Department	
Insurance	885
Supplies	78
Salaries	10,260
Street Department	
Street Lights	2,557
Park and Recreation Department	
Utilities	<u>206</u>
TOTAL EXPENDITURES	<u><u>19,390</u></u>
DEFICIENCY OF REVENUES	
UNDER EXPENDITURES	(7,107)
OTHER FINANCING SOURCES	
Operating Transfer In--Water and Sewer Fund	<u>6,188</u>
TOTAL OTHER FINANCING SOURCES	<u><u>6,188</u></u>
DEFICIENCY OF REVENUES AND OTHER SOURCES	
UNDER EXPENDITURES	(919)
 FUND BALANCE-BEGINNING	 <u>26,615</u>
FUND BALANCE-ENDING	<u><u>\$ 25,696</u></u>

See accountant's report.

VILLAGE OF DOWNSVILLE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

NET CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS \$ (919)

**Amounts reported for Governmental Activities in the
Statement of Activities are Different Because:**

Governmental Funds report capital outlays as expenditures. In the Statement of Activities the capital outlay cost is allocated over the estimated useful life of the related asset and reported as depreciation expense. To reconcile the difference in accounting between the fund accounting method and the government-wide method, an adjustment is necessary to recognize the difference by which depreciation expense in the government-wide fund statements exceeds capital outlay expense recognized in the government fund statements.

(20,364)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (21,283)

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2019

	<u>Water and Sewer Enterprise Fund</u>
ASSETS	
CURRENT ASSETS:	
Accounts Receivable, net	\$ 11,777
Prepaid Insurance	<u>551</u>
TOTAL CURRENT ASSETS	<u>12,328</u>
NONCURRENT ASSETS:	
Restricted Cash	<u>48,400</u>
Capital Assets:	
Land	1,000
Equipment	3,484
Sewer System Improvements	417,675
Water Distribution System	1,409,461
Less Accumulated Depreciation	<u>(1,146,437)</u>
Capital Assets, net	<u>685,183</u>
Other Assets	<u>30</u>
TOTAL NONCURRENT ASSETS	<u>733,613</u>
TOTAL ASSETS	<u>745,941</u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts Payable	42,705
Accrued Expenses	419
Due to General Fund	19,826
Accrued Interest Payable	153
Current Maturities of Long-Term Debt	<u>10,136</u>
TOTAL CURRENT LIABILITIES	<u>73,239</u>
NONCURRENT LIABILITIES:	
Customer Deposits	14,527
Long-Term Debt	<u>86,812</u>
TOTAL NONCURRENT LIABILITIES	<u>101,339</u>
TOTAL LIABILITIES	<u>174,578</u>
NET POSITION	
Invested in Capital Assets, net of related debt	588,234
Restricted for Debt Service	27,108
Unrestricted	<u>(43,979)</u>
TOTAL NET POSITION	<u>\$ 571,363</u>

See accountant's report.

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Water and Sewer Enterprise Fund</u>
OPERATING REVENUES	
Water Sales	\$ 40,656
Sewer Charges	21,378
TOTAL OPERATING REVENUES	<u>62,034</u>
OPERATING EXPENSES	
Accounting	2,350
Depreciation	45,785
Dues	300
Insurance	2,204
Office Supplies	1,589
Outside Services	18,900
Professional Fees	75
Safe Drinking Water Fee	855
Salaries	6,000
System Repair and Maintenance	20,194
System Supplies and Expense	1,586
Taxes-Payroll	459
Telephone and Utilities	<u>6,455</u>
TOTAL OPERATING EXPENSES	<u>106,752</u>
OPERATING LOSS	(44,718)
NON-OPERATING REVENUES AND (EXPENSES)	
Interest Income	81
Interest Expense	<u>(5,340)</u>
NET NON-OPERATING REVENUES (EXPENSES)	<u>(5,259)</u>
INCOME BEFORE TRANSFERS	(49,977)
TRANSFERS OUT	<u>(6,188)</u>
CHANGE IN NET POSITION	(56,165)
TOTAL NET POSITION - BEGINNING	<u>627,528</u>
TOTAL NET POSITION - ENDING	<u>\$ 571,363</u>

See accountant's report.

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Water and Sewer Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers and Users	\$ 68,967
Cash Payments for Goods and Services	(51,848)
Cash Payments for Salaries and Wages	<u>(6,000)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>11,119</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating Transfers to General Fund	<u>(6,188)</u>
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	<u>(6,188)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Payments on Revenue Bonds	(8,926)
Interest Payments on Revenue Bonds	<u>(5,437)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(14,363)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>81</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>81</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,351)
CASH AT BEGINNING OF YEAR	<u>57,751</u>
CASH AT END OF YEAR	<u><u>\$ 48,400</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (44,718)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities--	
Depreciation	45,785
(Increase) Decrease in Accounts Receivable	3,608
Increase (Decrease) in Accounts Payable	6,292
Increase (Decrease) in Accrued Expenses	2
Increase (Decrease) in Customers' Deposits	<u>150</u>
Total Adjustments	<u>55,837</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 11,119</u></u>
CASH PER STATEMENT OF NET POSITION	
Current Cash	\$ 0
Restricted Cash	<u>48,400</u>
TOTAL CASH AT YEAR END	<u><u>\$ 48,400</u></u>

See accountant's report.

REQUIRED SUPPLEMENTAL INFORMATION

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
--BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Budget
	Original	Final	Budgetary Basis	Favorable (Unfavorable)
REVENUES				
Franchise Taxes	\$ 5,000	\$ 4,695	\$ 4,876	\$ 181
Licenses and Permits	900	900	1,050	150
State Supplemental Police Pay	6,000	6,000	6,000	0
Rent	200	200	350	150
Miscellaneous	50	50	5	(45)
Interest	<u>5</u>	<u>2</u>	<u>2</u>	<u>0</u>
TOTAL REVENUE	<u>12,155</u>	<u>11,847</u>	<u>12,283</u>	<u>436</u>
EXPENDITURES				
General Government				
Beautification Committee	100	100	0	100
Dues	125	125	125	0
Legal and Accounting	0	0	1,475	(1,475)
Maintenance of Town Property	100	100	70	30
Miscellaneous	500	500	100	400
Office Supplies	200	200	68	132
Publications	50	50	5	45
Town Hall Expense	3,800	3,800	3,561	239
Travel	500	500	0	500
Police				
Auto Maintenance and Repairs	100	100	0	100
Insurance	885	885	885	0
Salaries	10,260	10,260	10,260	0
Supplies	50	78	78	0
Streets				
Street Lights	3,000	3,000	2,557	443
Park and Recreation				
Operations	100	100	0	100
Mowing Fees	100	100	0	100
Utilities	<u>0</u>	<u>0</u>	<u>206</u>	<u>(206)</u>
TOTAL EXPENDITURES	<u>19,870</u>	<u>19,898</u>	<u>19,390</u>	<u>508</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(7,715)	(8,051)	(7,107)	944
OTHER FINANCING SOURCES				
Operating Transfer In--Utility Fund	<u>7,260</u>	<u>7,260</u>	<u>6,188</u>	<u>(1,072)</u>
TOTAL OTHER FINANCING SOURCES	<u>7,260</u>	<u>7,260</u>	<u>6,188</u>	<u>(1,072)</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES	(455)	(791)	(919)	(128)
FUND BALANCE - BEGINNING	<u>27,937</u>	<u>27,937</u>	<u>26,615</u>	<u>(1,322)</u>
FUND BALANCE - ENDING	<u>\$ 27,482</u>	<u>\$ 27,146</u>	<u>\$ 25,696</u>	<u>\$ (1,450)</u>

See accountant's report.

SUPPLEMENTARY INFORMATION

VILLAGE OF DOWNSVILLE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE MAYOR
FOR THE YEAR ENDED DECEMBER 31, 2019

Mayor, Reggie Skains:

Purpose

Amount

There were no payments made to the Mayor.

See accountant's report.

OTHER

**VILLAGE OF DOWNSVILLE, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2019**

SECTION I FINANCIAL STATEMENT FINDINGS

FINDINGS

MANAGEMENT'S RESPONSES

No findings.

VILLAGE OF DOWNSVILLE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION I AGREED-UPON PROCEDURES REPORT

FINDINGS

CURRENT YEAR STATUS

2018-1. Late Submission of Report. The Village's annual report was not submitted within six months of the close of the year.

Resolved.