

**VILLAGE OF DUBBERLY, LOUISIANA**

**FINANCIAL REPORT**

**DECEMBER 31, 2017**

VILLAGE OF DUBBERLY, LOUISIANA  
 Financial Report  
 Year Ended December 31, 2017

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## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Honorable Curtis Hirth, Mayor  
and the Members of the Board of Aldermen  
Village of Dubberly, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities and the business-type activities of the Village of Dubberly, as of and for the year ended December 31, 2017, which collectively comprise the Village's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statement on Standards for Accounting and Review Services promulgated by the Accounting and Review Service 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. Accordingly, we do not express an opinion, a conclusion, nor provide any form of 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.

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

Accounting principles generally accepted in the United States of America require that the management's budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have compiled the supplementary information from information that is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the required supplemental information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

The Schedule of Per Diem Paid to Board Members, Schedule of Compensation, Benefits and Other Payments to Agency Head or Executive Officer, Summary Schedule of Prior Year Findings, and Corrective Action Plan for Current Year Findings are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the representation of management. The information was subject to my 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.

*Vincent G. Cole*

Minden, Louisiana  
June 27, 2018

## BASIC FINANCIAL STATEMENTS

**VILLAGE OF DUBBERLY, LOUISIANA**  
**Statement of Net Position**  
**December 31, 2017**

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 172,068	\$ 118,675	\$ 290,743
Receivables (net of allowances for uncollectibles)	-	9,278	9,278
Noncurrent assets:			
Restricted assets			
Cash and cash equivalents	-	23,386	23,386
Capital assets (net)	<u>14,047</u>	<u>512,080</u>	<u>526,127</u>
 Total assets	 <u>\$ 186,115</u>	 <u>\$ 663,419</u>	 <u>\$ 849,534</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts, salaries, and other payables	\$ 627	\$ 3,295	\$ 3,922
Total current liabilities	<u>627</u>	<u>3,295</u>	<u>3,922</u>
Noncurrent liabilities:			
Payable from restricted assets	-	23,386	23,386
Total noncurrent liabilities	<u>-</u>	<u>23,386</u>	<u>23,386</u>
Total liabilities	<u>\$ 627</u>	<u>\$ 26,681</u>	<u>\$ 27,308</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	\$ 14,047	\$ 512,080	\$ 526,127
Restricted	\$ -	\$ -	\$ -
Unrestricted	<u>171,441</u>	<u>124,658</u>	<u>296,099</u>
Total net position	<u>\$ 185,488</u>	<u>\$ 636,738</u>	<u>\$ 822,226</u>

See independent accountants' compilation report

**VILLAGE OF DUBBERLY, LOUISIANA**  
**Statement of Activities**  
**For the Year Ended December 31, 2017**

	Expenses	Program Revenues			Net (Expenses)/ Revenue	Net (Expenses) Revenues and Changes of Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions		Governmental Activities	Business-type Activities	Total
<b>Governmental activities</b>								
General government	\$ (17,006)	\$ -	\$ -	\$ -	\$ (17,006)	\$ (17,006)	\$ -	\$ (17,006)
Public safety	(3,270)	4,865	-	-	1,595	1,595	-	1,595
Other	-	-	-	-	-	-	-	-
Total governmental activities	<u>(20,276)</u>	<u>4,865</u>	<u>-</u>	<u>-</u>	<u>(15,411)</u>	<u>(15,411)</u>	<u>-</u>	<u>(15,411)</u>
<b>Business-type activities</b>								
Water	(130,225)	124,498	-	-	(5,727)	-	(5,727)	(5,727)
Other	-	-	-	-	-	-	-	-
Total business-type activities	<u>(130,225)</u>	<u>124,498</u>	<u>-</u>	<u>-</u>	<u>(5,727)</u>	<u>-</u>	<u>(5,727)</u>	<u>(5,727)</u>
Total primary government	<u>\$ (150,501)</u>	<u>\$ 129,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,138)</u>	<u>\$ (15,411)</u>	<u>\$ (5,727)</u>	<u>\$ (21,138)</u>
General revenues:								
Franchise taxes						6,722	-	6,722
Investment earnings						1,259	203	1,462
Other general revenues						16,443	-	16,443
Other financing sources (uses):								
Transfers						-	-	-
Total general revenues, other financing sources and transfers						<u>24,424</u>	<u>203</u>	<u>24,627</u>
Change in net position						9,013	(5,524)	3,489
Net position-beginning						<u>176,475</u>	<u>642,262</u>	<u>818,737</u>
Net position-ending						<u>\$ 185,488</u>	<u>\$ 636,738</u>	<u>\$ 822,226</u>

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**VILLAGE OF DUBBERLY, LOUISIANA**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2017**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>172,068</u>
Total assets	\$ <u><u>172,068</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts, salaries, and other payables	\$ <u>627</u>
Total liabilities	<u>627</u>
Fund balances:	
Unassigned	<u>171,441</u>
Total fund balance	<u>171,441</u>
Total liabilities and fund balances	\$ <u><u>172,068</u></u>

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**VILLAGE OF DUBBERLY, LOUISIANA**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Government-Wide Financial Statement of Net Position**

**December 31, 2017**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$ 171,441
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	14,047
Other assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds	-
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds:	-
Net Position of Governmental Activities (Statement A)	<u>\$ 185,488</u>

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## VILLAGE OF DUBBERLY, LOUISIANA

**Statement of Revenues, Expenditures and  
and Changes in Fund Balances  
Governmental Funds**

**For the Year Ended December 31, 2017**

	<u>General Fund</u>
<b>REVENUES</b>	
Taxes:	
Franchise	\$ 6,722
Intergovernmental revenues:	
Federal grants	-
State/Parish	-
Other	-
Fines and forfeitures	4,865
Investment earnings	1,259
Other revenues	<u>16,443</u>
Total revenues	<u>29,289</u>
<b>EXPENDITURES</b>	
General government	16,421
Public safety	2,768
Other	-
Total expenditures	<u>19,189</u>
Excess (deficiency) of revenues over (under) expenditures	10,100
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers in	-
Transfers out	<u>-</u>
Total other financing sources and uses	<u>-</u>
Net change in fund balance	10,100
Fund balances - beginning	<u>161,341</u>
Fund balances - ending	<u>\$ 171,441</u>

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**VILLAGE OF DUBBERLY, 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, 2017**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ 10,100
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	<u>(1,087)</u>
Change in Net Position of Governmental Activities, Statement B	<u>\$ 9,013</u>

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**VILLAGE OF DUBBERLY, LOUISIANA**  
**Statement of Net Position, Proprietary Funds**  
**December 31, 2017**

	Business Type Activities - <u>Enterprise Funds</u>
	<u>Utility Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 118,675
Accounts receivable, net of allowance	<u>9,278</u>
Total current assets	<u>127,953</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing bank deposits	23,386
Capital assets (net of accumulated depreciation)	<u>512,080</u>
Total noncurrent assets	<u>535,466</u>
Total assets	<u>\$ 663,419</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ <u>3,295</u>
Total current liabilities	<u>3,295</u>
Noncurrent liabilities:	
Payable from restricted assets	<u>23,386</u>
Total noncurrent liabilities	<u>23,386</u>
Total liabilities	<u>26,681</u>
<b>NET POSITION</b>	
Invested in capital assets	512,080
Unrestricted	<u>124,658</u>
Total net position	<u>\$ 636,738</u>

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VILLAGE OF DUBBERLY, LOUISIANA  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2017

	Business Type Activities - <u>Enterprise Funds</u>
	<u>Utility Fund</u>
<b>Operating revenues:</b>	
Charges for services	
Water	\$ 123,093
Penalties/service charges	175
Other charges for services	1,230
Total operating revenues	<u>124,498</u>
<b>Operating expenses:</b>	
Salaries & compensation	38,670
Payroll taxes	2,681
Office supplies & postage	3,891
Utilities	14,252
Operating Supplies	8,128
Insurance	14,721
Repairs and maintenance	10,880
Other services and charges	6,749
Interest expense	-
Depreciation	<u>30,253</u>
Total operating expenses	<u>130,225</u>
<b>Operating income (loss)</b>	<b>(5,727)</b>
<b>Nonoperating revenues (expenses):</b>	
Investment income	203
Grant revenues	<u>-</u>
Total nonoperating revenues and expenses	<u>203</u>
<b>Income before contributions and transfers</b>	<b><u>(5,524)</u></b>
<b>Transfers In/(Out)</b>	<b>-</b>
<b>Change in net position</b>	<b>(5,524)</b>
<b>Net position - beginning</b>	<b><u>642,262</u></b>
<b>Net position - end of year</b>	<b><u>\$ 636,738</u></b>

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**VILLAGE OF DUBBERLY, LOUISIANA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Years Ended December 31, 2017**

	Business Type Activities - <u>Enterprise Funds</u>
	Utility Fund
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 123,913
Other operating cash receipts	-
Cash payments for interest	-
Cash payments for supplies and services	(58,737)
Cash payments to employees for service and taxes	<u>(41,116)</u>
Net cash provided (used) by operating activities	<u>24,060</u>
<b>Cash flows from noncapital financing activities:</b>	
Net increase in meter deposits	<u>684</u>
Net cash used for noncapital financing activities	<u>684</u>
<b>Cash flows from capital and related investing activities:</b>	
Acquisition and construction of capital assets	<u>-</u>
Net cash provided (used) for capital and related financing activities	<u>-</u>
<b>Cash flows from investing activities:</b>	
Interest on interest-bearing deposits	<u>204</u>
Net cash used for investing activities	<u>204</u>
Net increase (decrease) in cash and cash equivalents	24,948
Cash and cash equivalents at beginning of year	<u>117,113</u>
Cash and cash equivalents at end of year	<u>\$ 142,061</u>
Cash and Cash equivalents- unrestricted	118,675
Cash and Cash equivalents- restricted	<u>23,386</u>
	<u>142,061</u>

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**VILLAGE OF DUBBERLY, LOUISIANA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Years Ended December 31, 2017**

	Business Type Activities - <u>Enterprise Funds</u>
	<u>Utility Fund</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income (loss)	\$ (5,727)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	30,253
Changes in assets and liabilities -	
(Increase) decrease in accounts receivable	(585)
Increase (decrease) in accruals	235
Increase (decrease) in accounts payable	<u>(116)</u>
 Net cash provided (used) by operating activities	 <u><u>\$ 24,060</u></u>

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REQUIRED SUPPLEMENTAL INFORMATION

**VILLAGE OF DUBBERLY, LOUISIANA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual (CASH BASIS)**  
**General Fund**  
**For the Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes - franchise	\$ 6,725	\$ 6,725	\$ 6,722	\$ (3)
Fines and forfeitures	5,100	5,100	4,865	(235)
Interest	1,215	1,215	1,259	44
Miscellaneous	16,450	16,450	16,443	(7)
Total revenues	<u>29,490</u>	<u>29,490</u>	<u>29,289</u>	<u>(201)</u>
<b>Expenditures</b>				
General Government	16,818	16,818	16,429	389
Public Safety	2,700	2,700	2,768	(68)
Other	-	-	-	-
Total expenditures	<u>19,518</u>	<u>19,518</u>	<u>19,197</u>	<u>321</u>
Excess (deficiency) of revenues over (under) expenditures	9,972	9,972	10,092	120
<b>Other Financing Sources (Uses)</b>				
Grant revenue	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	9,972	9,972	10,092	120
<b>Cash balance at beginning of year</b>	<u>161,975</u>	<u>161,975</u>	<u>161,975</u>	<u>\$ -</u>
<b>Cash balance at end of year</b>	<u>\$ 171,947</u>	<u>\$ 171,947</u>	<u>\$ 172,067</u>	<u>\$ 120</u>

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SUPPLEMENTAL INFORMATION SCHEDULES

**VILLAGE OF DUBBERLY, LOUISIANA****Schedule of Compensation Paid Board Members****For the Year Ended December 31, 2017**

The Village of Dubberly, Louisiana paid the following amounts to the mayor and members of the Council as of December 31, 2017:

	<u>Compensation</u>
Mayor -	
Curtis Hirth	\$ 2,400
Council	
Johnny Brown	1,200
Lynn Cooley	1,200
Douglas Culpepper	1,200
Charles Mims	<u>240</u>
	<u>\$ 6,240</u>

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VILLAGE OF DUBBERLY, LOUISIANA

Schedule 3

**Schedule of Compensation, Benefits and Other Payments  
to Agency Head or Chief Executive Officer**

**For the Year Ended December 31, 2017**

Agency Head Name: Curtis Hirth- Mayor

	Amount
Salary	2,400
Reimbursements	<u>-</u>
<b>Total</b>	<u><u>2,400</u></u>

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OTHER INFORMATION

VILLAGE OF DUBBERLY, LOUISIANA

Summary Schedules of Prior Year Findings  
For the year ended December 31, 2017

***2016-1 Significant Deficiency in Internal Control over Financial Reporting***

**Condition & Criteria:** As is common in small organizations, management has chosen to engage the CPA to propose certain year-end adjusting entries and to prepare their annual financial statements. This condition is intentional by management based upon the Village's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. In relation to this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Statement on Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

**Cause:** The condition is due to economic limitations.

**Effect:** Misstatements in the financial statements or footnotes may not be detected.

**Recommendation:** No recommendation is made for this deficiency. Management must determine whether the benefit from an internal control exceeds its cost, and therefore it may be impractical to correct all deficiencies required to be reported under SAS 115. The cost benefit analysis is not a factor in the reporting requirements of SAS 115. We do not believe that correcting the significant deficiency as described above would be cost effective or practical for the Village of Dubberly therefore no corrective action is recommended.

**Management Response:** Village of Dubberly agrees with the above finding.

VILLAGE OF DUBBERLY, LOUISIANA

Corrective Action Plan for Current Year Findings  
For the year ended December 31, 2017

***2017-1 Significant Deficiency in Internal Control over Financial Reporting***

**Condition & Criteria:** As is common in small organizations, management has chosen to engage the CPA to propose certain year-end adjusting entries and to prepare their annual financial statements. This condition is intentional by management based upon the Village's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. In relation to this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Statement on Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

**Cause:** The condition is due to economic limitations.

**Effect:** Misstatements in the financial statements or footnotes may not be detected.

**Recommendation:** No recommendation is made for this deficiency. Management must determine whether the benefit from an internal control exceeds its cost, and therefore it may be impractical to correct all deficiencies required to be reported under SAS 115. The cost benefit analysis is not a factor in the reporting requirements of SAS 115. We do not believe that correcting the significant deficiency as described above would be cost effective or practical for the Village of Dubberly therefore no corrective action is recommended.

**Management Response:** Village of Dubberly agrees with the above finding.