

**VILLAGE OF DRY PRONG, LOUISIANA**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2017**



**Rozier Harrington  
& McKay** | CERTIFIED PUBLIC  
ACCOUNTANTS

# TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT .....	1-2
REQUIRED SUPPLEMENTAL INFORMATION (PART I)	
Management's Discussion and Analysis .....	3-6
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position.....	7
Statement of Activities.....	8
FUND FINANCIAL STATEMENTS	
Governmental Funds	
Balance Sheet .....	9
Statement of Revenues, Expenditures and Changes in Fund Balance .....	10
Proprietary Funds	
Statement of Net Position.....	11
Statement of Revenues, Expenditures and Changes in Fund Net Position.....	12
Statement of Cash Flows.....	13
NOTES TO FINANCIAL STATEMENTS.....	14 - 24
REQUIRED SUPPLEMENTAL INFORMATION (PART II)	
General Fund - Statement of Revenues and Changes in Fund	
Balances (Budget and Actual) .....	25 – 26
Sales Tax Fund - Statement of Revenues and Changes in Fund	
Balances (Budget and Actual) .....	27
OTHER SUPPLEMENTAL INFORMATION	
Schedule of Compensation, Benefits and Other Payments to Agency	
Head or Chief Executive Officer.....	28
Schedule of Per Diem Paid to Board Members.....	29
OTHER REPORTS	
Independent Auditors' Report on Compliance and on Internal Control over	
Financial Reporting Based on an Audit of Financial Statements	
Performed in Accordance With <i>Government Auditing Standards</i> .....	30 - 31
ADDITIONAL INFORMATION	
Schedule of Findings and Questioned Cost.....	32
Management's Corrective Action Plan.....	33
Schedule of Prior Year Findings and Questioned Cost .....	34



**Rozier Harrington  
& McKay** | CERTIFIED PUBLIC  
ACCOUNTANTS |

October 23, 2017

Independent Auditors' Report

To the Mayor and Board of Aldermen  
Village of Dry Prong, Louisiana

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Dry Prong, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village Dry Prong, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Post Office Box 12178 • Alexandria, Louisiana 71315-2178  
www.CenlaCPAs.com • Voice 318.442.1608 • Fax 318.487.2027**

*Village of Dry Prong*  
*October 23, 2017*

---

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information described in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Dry Prong's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer, and the Schedule of Per Diem Paid to Board Members, described as additional information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The additional information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional information is fairly stated in all material respects in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2017 on our consideration of the Village of Dry Prong's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Dry Prong's internal control over financial reporting and compliance.



ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

# **VILLAGE OF DRY PRONG**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2017**

---

This section of Village of Dry Prong's annual financial report presents our discussion and analysis of the Village's financial performance during the fiscal year ended June 30, 2017.

### **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Village's financial position and results of operations from differing perspectives which are described as follows:

#### **Government –Wide Financial Statements**

The government-wide financial statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Village's assets (including infrastructure acquired after July 1, 2001) and all of the Village's liabilities (including long-term debt).

The government-wide financial statements are divided into two categories, which are described as follows:

- **Governmental Activities** – Expenses incurred in connection with providing basic services including police protection, fire protection, culture, recreation, public works and general administration are reported as governmental activities. The governmental activities are financed by taxes, license fees, fines, court cost, interest, grants and contributions.
- **Business-Type Activities** – Expenses associated with providing water and sewer services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with water and sewer services are reported as business type activities.

#### **Fund Financial Statements**

Fund financial statements provide detailed information regarding the Village's most significant activities and are not intended to provide information for the Village as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Village has two types of funds that are described as follows:

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Village's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

# **VILLAGE OF DRY PRONG**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2017**

---

- **Proprietary Fund** – These funds are used to account for activities that function in a manner similar to commercial enterprises, including activities associated with the Village's water and sewer services. Proprietary fund financial statements typically provide a more detail presentation of the information reported in the business-type activities portion of the government-wide financial statements.

### **FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE**

A comparative analysis of government-wide data is presented as follows:

#### **Net Position**

A condensed version of the government-wide Statement of Net Position is presented as follows:

	<b>June 30, 2017</b>			<b>June 30, 2016</b>
	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>	
<b><u>Assets:</u></b>				
Current and Other Assets	\$ 176,355	\$ 149,253	\$ 325,608	\$ 172,238
Internal Balances	355,133	(355,133)	----	----
Capital Assets	474,189	2,607,211	3,081,400	3,213,507
Total Assets	<u>1,005,677</u>	<u>2,401,331</u>	<u>3,407,008</u>	<u>3,385,745</u>
<b><u>Liabilities:</u></b>				
Current and Other Liabilities	37,763	56,944	94,707	65,927
Long-term Liabilities	49,000	152,617	201,617	81,532
Total Liabilities	<u>86,763</u>	<u>209,561</u>	<u>296,324</u>	<u>147,459</u>
<b><u>Net Position:</u></b>				
Invested in Capital Assets (Net)	401,189	2,547,943	2,949,132	3,102,723
Restricted	113,818	----	113,818	86,801
Unrestricted	403,907	(356,173)	47,734	48,762
Total Net Position	<u>\$ 918,914</u>	<u>\$ 2,191,770</u>	<u>\$ 3,110,684</u>	<u>\$ 3,238,286</u>

As the presentation appearing above demonstrates, the largest portion of the Village's net position (94.8%) is invested in capital assets. Net Position invested in capital assets consist of land, buildings, and equipment less any debts used to acquire assets that remain outstanding. In addition, net position invested in capital assets also include any infrastructure acquired after July 1, 2001. The Village uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

An additional portion of the net position (3.7%) is subject to restrictions that are imposed by agreements with the Village's bondholders or requirements imposed by revenue sources.

# **VILLAGE OF DRY PRONG**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2017**

---

The remaining net position (1.5%), is unrestricted and can be used at the discretion of the governing body.

### **Changes in Net Position**

A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:

	<u>For the Year Ended June 30, 2017</u>			<u>For the</u>
	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Year Ended June 30, 2016</u>
<b><u>Revenues:</u></b>				
<b>Program Revenue:</b>				
Charges for Services	\$ 55,501	\$ 194,296	\$ 249,797	\$ 253,825
Operating Grants and Contributions	----	----	----	26,858
Capital Grants and Contributions	----	----	----	----
<b>General Revenue:</b>				
Property Taxes	13,602	----	13,602	13,062
Franchise Taxes	16,608	----	16,608	16,030
Sales Taxes	53,833	----	53,833	48,309
Occupational Licenses	35,020	----	35,020	33,715
Miscellaneous	10,933	18	10,951	10,546
<b>Total Revenue</b>	<b>185,497</b>	<b>194,314</b>	<b>379,811</b>	<b>402,345</b>
<b><u>Program Expenses:</u></b>				
General Government	131,041	----	131,041	123,449
Streets	31,559	----	31,559	31,372
<b>Public Safety</b>				
Police Department	41,512	----	41,512	49,407
Interest on Long Term Debt	3,840	----	3,840	4,480
Utilities	----	299,461	299,461	293,674
<b>Total Expenses</b>	<b>207,952</b>	<b>299,461</b>	<b>507,413</b>	<b>502,382</b>
Change in Net Position	(22,455)	(105,147)	(127,602)	(100,037)
Net Position Beginning	941,369	2,296,917	3,238,286	3,338,323
Net Position Ending	<u>\$ 918,914</u>	<u>\$ 2,191,770</u>	<u>\$ 3,110,684</u>	<u>\$ 3,238,286</u>

Governmental activities decreased the Village's net position by \$22,455. The increase is attributable to depreciation associated with assets acquired with grant funds in previous years.

Business-type activities decreased the Village's net position by \$105,147. The decrease is attributable to depreciation on assets that were acquired with grant funds. Changes in net position excluding capital grants, contributions and depreciation for the water and sewer systems are presented as follows:

# **VILLAGE OF DRY PRONG**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2017**

---

	<u>Current</u>	<u>Prior</u>
Change in Net Position	\$ (105,147)	\$ (111,796)
Capital Grants and Contributions	----	----
Depreciation	<u>127,785</u>	<u>128,769</u>
Change in Net Position Excluding Capital Grants, Contributions and Depreciation	<u>\$ 22,638</u>	<u>\$ 16,973</u>

### **FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

For the year ended June 30, 2017, activity in governmental funds included the general fund, sales tax fund, capital projects, and debt service. The only differences between amounts reported by the governmental funds and governmental activities reported in the government-wide financial statements are attributable to including fixed assets and debt in the government-wide presentation.

Amounts reported for business-type activities in the Village's individual funds are identical to the business-type activities reported in the government-wide presentation.

### **BUDGET HIGHLIGHTS**

The general fund and special revenue fund are the only funds required by law to adopt a budget. Actual expenditures were consistent with appropriations and no budget revisions were necessary.

### **CAPITAL ASSET ADMINISTRATION**

For the year ended June 30, 2017, significant capital asset activity was limited to designing improvements to the utility system.

### **DEBT ADMINISTRATION**

Activity was limited to making scheduled payments on existing outstanding debt and issuing a certificate of indebtedness to provide matching funds for grants available to improve the Village's utility system.

### **FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS**

At the present time, management is not aware of any matters that are expected to have substantial consequences for future operations.

# **VILLAGE OF DRY PRONG**

## **STATEMENT OF NET POSITION**

**JUNE 30, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 167,325	\$ 124,656	\$ 291,981
Receivables (net)	9,030	24,597	33,627
Internal balances	355,133	(355,133)	-
Land	47,883	41,369	89,252
Depreciable capital assets, net	426,306	2,565,842	2,992,148
<b>Total assets</b>	<b>1,005,677</b>	<b>2,401,331</b>	<b>3,407,008</b>
<b><u>LIABILITIES</u></b>			
Accounts payable	13,763	141	13,904
Accrued interest payable	-	5,699	5,699
Meter deposits	-	31,825	31,825
Liabilities payable from restricted assets			
Long-term debt			
Due within one year			
Capital lease obligation	-	5,939	5,939
Certificates of indebtedness	-	13,340	13,340
Revenue bonds	24,000	-	24,000
Due in more than one year			
Capital lease obligation	-	3,957	3,957
Certificates of indebtedness	-	148,660	148,660
Revenue bonds	49,000	-	49,000
<b>Total liabilities</b>	<b>86,763</b>	<b>209,561</b>	<b>296,324</b>
<b><u>NET POSITION</u></b>			
Invested in capital assets, net of related debt	401,189	2,547,943	2,949,132
Restricted for:			
Debt service	53,881	-	53,881
Street improvements	59,937	-	59,937
Unrestricted	403,907	(356,173)	47,734
<b>Total net position (deficit)</b>	<b>\$ 918,914</b>	<b>\$ 2,191,770</b>	<b>\$ 3,110,684</b>

The accompanying notes are an integral part of the financial statements.

# **VILLAGE OF DRY PRONG**

## **STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2017**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business- Type Activities	Total
<b><u>Governmental Activities:</u></b>							
General Government	\$ 131,041	\$ -	\$ -	\$ -	\$ (131,041)	\$ -	\$ (131,041)
Streets	31,559	-	-	-	(31,559)	-	(31,559)
Public Safety							
Law Enforcement	41,512	55,501	-	-	13,989	-	13,989
Interest on Long Term Debt	3,840	-	-	-	(3,840)	-	(3,840)
Total Governmental Activities	<u>207,952</u>	<u>55,501</u>	<u>-</u>	<u>-</u>	<u>(152,451)</u>	<u>-</u>	<u>(152,451)</u>
<b><u>Business-Type Activities:</u></b>							
Utility Service	299,461	194,296	-	-	-	(105,165)	(105,165)
Total Business-Type Activities	<u>299,461</u>	<u>194,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(105,165)</u>	<u>(105,165)</u>
Total Primary Government	<u>\$ 507,413</u>	<u>\$ 249,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(152,451)</u>	<u>(105,165)</u>	<u>(257,616)</u>
<b><u>General Revenues:</u></b>							
Taxes:							
Ad Valorem					13,602	-	13,602
Franchise					16,608	-	16,608
Sales					53,833	-	53,833
Occupational Licenses					35,020	-	35,020
Miscellaneous					10,933	18	10,951
Total General Revenues					<u>129,996</u>	<u>18</u>	<u>130,014</u>
Change in Net Position					(22,455)	(105,147)	(127,602)
Net Position Beginning					941,369	2,296,917	3,238,286
Net Position Ending					<u>\$ 918,914</u>	<u>\$ 2,191,770</u>	<u>\$ 3,110,684</u>

The accompanying notes are an integral part of the financial statements.

# **VILLAGE OF DRY PRONG**

## **BALANCE SHEET**

### **GOVERNMENTAL FUNDS**

**June 30, 2017**

	General	Sales Tax	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 62,537	\$ 50,907	\$ 53,881	\$ -	\$ 167,325
Accounts receivable	-	9,030	-	-	9,030
Due from other funds	355,133	-	-	-	355,133
<b>Total assets</b>	<b>\$ 417,670</b>	<b>\$ 59,937</b>	<b>\$ 53,881</b>	<b>\$ -</b>	<b>\$ 531,488</b>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities</b>					
Accounts payable	\$ 13,763	\$ -	\$ -	\$ -	\$ 13,763
Delayed revenues	-	-	-	-	-
<b>Total liabilities</b>	<b>13,763</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,763</b>
<b>Fund Balance</b>					
Nonspendable:					
Long Term advances to other funds	355,133	-	-	-	355,133
Restricted For:					
Street improvements	-	59,937	-	-	59,937
Debt service	-	-	53,881	-	53,881
Unassigned	48,774	-	-	-	48,774
<b>Total Fund Balances</b>	<b>403,907</b>	<b>59,937</b>	<b>53,881</b>	<b>-</b>	<b>517,725</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 417,670</b>	<b>\$ 59,937</b>	<b>\$ 53,881</b>	<b>\$ -</b>	<b>\$ 531,488</b>

### **Reconciliation of the Governmental Funds Balance Sheets to the Statement of Net Position**

Total Fund Balances - Governmental Funds	\$ 517,725
Amounts reported for governmental activities in the statement of net position are different because:	
Long term debt incurred to finance governmental activities does require the use of financial resources; therefore, the debt is excluded from the funds financial statements.	(73,000)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	474,189
Net Position of Governmental Activities	<u>\$ 918,914</u>

The accompanying notes are an integral part of the financial statements.

# **VILLAGE OF DRY PRONG**

## **Statement of Revenue, Expenditures and Changes in Fund Balance Governmental Funds Year Ended June 30, 2017**

	General	Sales Tax	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
<b>Taxes:</b>					
Ad valorem	\$ 13,602	\$ -	\$ -	\$ -	\$ 13,602
Franchise	16,608	-	-	-	16,608
Sales tax	-	53,833	-	-	53,833
Occupational licenses	35,020	-	-	-	35,020
Intergovernmental	-	-	-	-	-
Fines and court cost	55,501	-	-	-	55,501
Miscellaneous	10,879	-	54	-	10,933
<b>Total revenues</b>	<u>131,610</u>	<u>53,833</u>	<u>54</u>	<u>-</u>	<u>185,497</u>
<b>Expenditures:</b>					
<b>Current</b>					
General government	117,300	30	-	-	117,330
Public safety - law enforcement	33,088	-	-	-	33,088
Capital outlay	-	-	-	-	-
<b>Debt service</b>					
Principal	-	-	23,000	-	23,000
Interest	-	-	3,840	-	3,840
<b>Total expenditures</b>	<u>150,388</u>	<u>30</u>	<u>26,840</u>	<u>-</u>	<u>177,258</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(18,778)	53,803	(26,786)	-	8,239
<b>Other sources (uses)</b>					
Operating transfers in (out)	-	(34,006)	34,006	-	-
<b>Net Change in fund balances</b>	(18,778)	19,797	7,220	-	8,239
<b>Fund balance - beginning of year</b>	<u>422,685</u>	<u>40,140</u>	<u>46,661</u>	<u>-</u>	<u>509,486</u>
<b>Fund balance - end of year</b>	<u>\$ 403,907</u>	<u>\$ 59,937</u>	<u>\$ 53,881</u>	<u>\$ -</u>	<u>\$ 517,725</u>

### **Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities**

Net change in fund balances of Governmental Funds	\$ 8,239
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report repayment of long term debt as expenditures. In the government wide presentation, these transactions are reported a reduction in debt	23,000
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital expenditures in the current period.	(53,694)
Change in net position of governmental activities	<u>\$ (22,455)</u>

The accompanying notes are an integral part of the financial statements.

# **VILLAGE OF DRY PRONG**

## **Statement of Net Position**

### **Proprietary Funds**

**June 30, 2017**

	<u>Business-Type Activities</u> <u>Utility Enterprise Fund</u>
<b><u>ASSETS:</u></b>	
Current Assets:	
Cash and cash equivalents	\$ 124,656
Receivables (net)	24,597
Other assets	-
Total current assets	<u>149,253</u>
Noncurrent Assets:	
Capital Assets:	
Land	41,369
Depreciable capital assets, net	<u>2,565,842</u>
Total noncurrent assets	<u>2,607,211</u>
<b>Total assets</b>	<u>2,756,464</u>
<b><u>LIABILITIES:</u></b>	
Current Liabilities:	
Payables	141
Accrued Interest	5,699
Due to other funds	355,133
Meter deposits	31,825
Current portion of certificate of indebtedness	13,340
Current portion of capital lease obligation	<u>5,939</u>
Total current liabilities	412,077
Noncurrent Liabilities:	
Certificate of indebtedness	148,660
Capital lease obligation	<u>3,957</u>
<b>Total liabilities</b>	<u>564,694</u>
<b><u>NET POSITION</u></b>	
Invested in capital assets, net of related debt	2,547,943
Unrestricted	<u>(356,173)</u>
<b>Total net position (deficit)</b>	<u>\$ 2,191,770</u>

The accompanying notes are an integral part of the financial statements.

# **VILLAGE OF DRY PRONG**

## ***Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds Year Ended June 30, 2017***

---

	Business-Type Activities Utility Enterprise Fund
<b><u>Operating revenues:</u></b>	
Charges for services	\$ 194,093
Other income	203
<b>Total Operating Revenues</b>	<u>194,296</u>
<b><u>Operating expenses:</u></b>	
Salaries and payroll taxes	70,190
Chemicals and supplies	26,448
Depreciation	127,785
Insurance	10,726
Utilities	22,011
Legal and professional	16,728
Repairs and maintenance	14,252
Miscellaneous	5,151
<b>Total operating expenses</b>	<u>293,291</u>
<b>Operating income (loss)</b>	<u>(98,995)</u>
<b><u>Non-operating revenues (expenses):</u></b>	
Grant proceeds	-
Interest income	18
Interest expense	(6,170)
<b>Total Non-operating</b>	<u>(6,152)</u>
<b>Income (loss) before capital contributions and transfers</b>	(105,147)
<b>Capital Contributions</b>	<u>-</u>
<b>Change in net position</b>	(105,147)
<b>Total net position - beginning</b>	<u>2,296,917</u>
<b>Total net position - ending</b>	<u>\$ 2,191,770</u>

The accompanying notes are an integral part of the financial statements.

# **VILLAGE OF DRY PRONG**

## **Statement of Cash Flows**

### **Proprietary Funds**

**Year Ended June 30, 2017**

	<u>Business-Type Activities</u>	
	<u>Utility</u>	<u>Enterprise Fund</u>
<b><u>Cash flow from operating activities:</u></b>		
Cash received from customers	\$	196,961
Cash payments to suppliers of goods and services		(95,127)
Cash payments to employees for services		<u>(70,190)</u>
Net cash provided (used) by operating activities		<u>31,644</u>
<b><u>Cash flows from non-capital financing activities:</u></b>		
Increase (Decrease) cash advances due to other funds		(17,310)
Grant Proceeds		<u>-</u>
Net cash provided (used) by non-capital financing activities		<u>(17,310)</u>
<b><u>Cash flows from capital and related financing activities:</u></b>		
Payments for acquisition of capital assets		(49,372)
Proceeds from debt instruments		162,000
Principle paid on capital lease obligation		(4,888)
Interest paid on debt instruments		<u>(471)</u>
Net cash provided (used) by capital and related financing activities		<u>107,269</u>
<b><u>Cash flows from investing activities:</u></b>		
Interest and other income		<u>18</u>
Net cash provided (used) by investing activities		<u>18</u>
Net increase (decrease) in cash		121,621
Beginning cash balance		<u>3,035</u>
Ending cash balance	\$	<u>124,656</u>
<b><u>Reconciliation of operating income (loss) to net cash</u></b>		
Operating income (loss)	\$	(98,995)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		127,785
(Increase) decrease in accounts receivable		1,390
(Increase) decrease in other assets		80
(Decrease) increase in accounts payable		109
(Decrease) increase in meter deposits		<u>1,275</u>
Net cash provided (used) by operating activities	\$	<u>31,644</u>

### **Supplemental disclosures of cash flow information:**

For the year ended June 30, 2017, there were no operating, financing, or investing activities that did not result in cash receipts or payments.

# **VILLAGE OF DRY PRONG**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2017**

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Dry Prong (the Village) was incorporated under the provisions of the Lawrason Act. The Village is governed by a Mayor and a Board of Alderman consisting of three (3) members. Services provided by the Village include police and fire protection, and street maintenance. The Village also operates a water distribution system and a sewer system.

The accompanying policies conform to generally accepted accounting principles for governmental units.

#### **Financial Reporting Entity**

As the municipal governing authority, for reporting purposes, the Village is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Village), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards established criteria for determining which component units should be considered part of the Village of Dry Prong for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Criteria to be considered in determining financial accountability include:

1. Appointing a voting majority of an organization's governing body, and
  - a) The ability of the Village to impose its will on that organization and/or
  - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon application of these criteria, there were no potential component units and all of the Village's activities were included in the primary government reporting entity.

# **VILLAGE OF DRY PRONG**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2017**

---

### **Basic Financial Statements**

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises.

The government-wide and fund financial statements present the Village's financial position and results of operations from differing perspectives which are described as follows:

### **Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service or business-type activity. Program revenues include charges for services, fines, court cost, contributions associated with a particular function and most grants.

### **Fund Financial Statements**

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and proprietary funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The Village's major funds are described as follows:

- Governmental Funds – The Village's active major governmental funds include the general fund, sales tax fund and the debt service fund. The general fund is the primary operating fund and is used to account for all governmental activities except those required to be reported in another fund. The sales tax fund is a special revenue fund used to account for sales tax revenue designated for street improvements within the Village. The debt service fund is used accumulate resources for the repayment of sales tax revenue bonds issued to finance street construction.
- Proprietary Funds – Are used to account for business type activities. The operations of the Village's Utility System utilize a single proprietary fund. Revenue earned in

# **VILLAGE OF DRY PRONG**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2017**

---

exchange for providing services is reported as operating income and revenue from other sources is reported as non-operating.

### **Basis of Accounting and Measurement Focus**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<b><u>Financial Statement Presentation</u></b>	<b><u>Basis of Accounting</u></b>	<b><u>Measurement Focus</u></b>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of account and the current financial resources measure focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, compensated absences, claims and judgments are recorded as expenses when payment is made. Furthermore, when the current financial resources measure focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as expenditures. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as other financing sources and repayment of long-term debt is reported as an expenditure of funds.

### **Non-Exchange Transactions**

Revenue from certain non-exchange transactions cannot be properly measured prior to collection. Furthermore, it is not practical to determine the probability of collection resulting from certain non-exchange transactions such as traffic citations. Consequently, revenue from franchise taxes, fines and court cost is not recognized until it is collected.

### **Use of Estimates**

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Restricted Assets**

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements, tax propositions, and bond covenants.

# **VILLAGE OF DRY PRONG**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2017**

---

### **Budget Practices**

The Mayor prepares annual budgets for the Village's general fund and special revenue fund. These budgets are submitted to the Board of Aldermen and the approved budgets are adopted before the beginning of each fiscal year. Amended budgets are prepared prior to the conclusion of each fiscal year. The amended budgets are prepared and approved in the same manner as the original budget.

The general fund and special revenue fund budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles. The Village's remaining funds are not required to adopt budgets.

### **Capital Assets**

Capital assets are carried at historical cost or estimated historical cost including interest incurred during construction. Prior to July 1, 1989, there were few records supporting the cost; therefore, costs related to the Village's utility system were estimated based on information furnished by the Village's consulting engineers. Cost of buildings and equipment acquired prior to July 1, 1989 were estimated based on replacement cost.

Infrastructure capital assets consisting of streets, bridges, sidewalks and drainage systems acquired before July 1, 2001 are excluded from capital assets. Depreciation associated with capital assets is computed using the straight-line method over the estimated useful lives of the assets.

### **Cash and Cash Equivalents:**

Amounts reported as cash and cash equivalents include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

### **Delayed Revenue:**

Amounts collected from grant programs are reported as delayed revenue until the Village has complied with the terms and conditions of the grant program. The amount reported as delayed revenue represents the unexpended portion of grant receipts that are required to be used for specific purposes.

### **Internal Balances:**

All funds paid to vendors are typically disbursed from the General Fund. Amounts paid by the General Fund on behalf of other funds and any reimbursements received by the General Fund are reported as internal receivables and payables. In the government-wide Statement of Net Position internal balances are eliminated except for the presentation of net residual amounts due between governmental and business-type activities.

# **VILLAGE OF DRY PRONG**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2017**

---

### **Fund Balance Classification:**

Approval of the majority of the Board of Aldermen is required to approve the commitment of fund balances. In situations where it is permissible to spend restricted or committed resources, the Village typically depletes the available restricted or committed resources before consuming unrestricted resources.

### **Statement of Cash Flows:**

For the purpose of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in banks and certificates of deposit.

### **NOTE 2 - CASH AND CASH EQUIVALENTS**

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits 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. 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. At June 30, 2017, the Village has \$291,981 in deposits (\$296,456 collected bank balance). These deposits are protected by federal deposit insurance in the amount of \$250,000 and pledged securities with a market value of \$48,663.

### **NOTE 3 - RECEIVABLES**

Receivables at June 30, 2017, are summarized as follows:

	<u>Governmental Activities</u>	<u>Business- Type</u>	<u>Total</u>
Sales Tax	\$ 9,030	\$ ----	\$ 9,030
Utility Accounts	----	24,597	24,597
<b>Total</b>	<b>\$ 9,030</b>	<b>\$ 24,597</b>	<b>\$ 33,627</b>

### **NOTE 4 - LONG-TERM DEBT**

Long term debt consists of various instruments that are summarized as follows:

# **VILLAGE OF DRY PRONG**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2017**

	<u>Governmental Activities</u>	<u>Business- Type</u>	<u>Total</u>
Revenue Bonds	\$ 73,000	\$ ----	\$ 73,000
Capital Lease Obligations	----	9,896	9,896
Certificates of Indebtedness	----	162,000	162,000
<b>Total</b>	<b>\$ 73,000</b>	<b>\$ 171,896</b>	<b>244,896</b>

Details related to each component of long term debt are presented as follows:

### **Revenue Bonds**

Revenue bonds by fund type are presented as follows:

	<u>Governmental Activities</u>
Bonds payable, June 30, 2016	\$ 96,000
New issues	----
Retirements	(23,000)
<b>Bonds payable, June 30, 2017</b>	<b>73,000</b>
Due within one year	24,000
<b>Due in more than one year</b>	<b>\$ 49,000</b>

Components of the Village's long-term debt are described as follows:

\$194,000 Sales Tax Bonds, Series 2011 issue dated July 21, 2011, due in annual installments ranging from \$14,000 to \$25,000 plus interest at 4%, with the final installment due March 1, 2020 .....	\$ 73,000
--	-----------

A schedule of maturities of long-term debt follows for the years ended June 30:

<u>Year Ended June 30<sup>th</sup></u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 24,000	\$ 2,920
2019	24,000	1,960
2020	25,000	1,000
<b>Total</b>	<b>\$ 73,000</b>	<b>\$ 5,880</b>

# **VILLAGE OF DRY PRONG**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2017**

### **Certificates of Indebtedness**

Revenue bonds by fund type are presented as follows:

	<b>Business-Type Activities</b>
Certificates payable, June 30, 2016	\$ ----
New issues	162,000
Retirements	----
Certificates payable, June 30, 2017	162,000
Due within one year	13,340
Due in more than one year	\$ 148,660

Components of the Village's long-term debt are described as follows:

\$162,000 Limited Tax Certificate of Indebtedness issue dated September 20, 2016 due in annual installments \$22,025 including interest at a rate of 4.25%, with the final installment due September 1, 2026 .....	\$ 162,000
--	------------

A schedule of maturities of long-term debt follows for the years ended June 30:

<u>Year Ended June 30<sup>th</sup></u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 13,340	\$ 10,044
2019	13,906	6,023
2020	14,497	5,419
2021	15,100	4,790
2022	15,755	4,134
2023 - 2026	89,402	9,815
<b>Total</b>	<b>\$ 162,000</b>	<b>\$ 40,225</b>

### **Capital Lease Obligations**

The Village has acquired equipment needed for operations by executing a capital leases. The original balance of \$24,139 is payable in 59 monthly installments of \$447 beginning July 2014 with the final installment due March, 2019. Interest is determined based on an annual rate of 3.75%. Future minimum lease payments associated with the lease obligations described above are presented as follow:

# **VILLAGE OF DRY PRONG**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2017**

---

<u>Year Ended June 30th</u>	<u>Business-Type Activities</u>
2018	\$ 6,252
2019	<u>4,019</u>
Total Minimum Lease Payments	10,271
Amounts Representing Interest	<u>375</u>
Present Value of Future Minimum Lease Payments	9,896
Current Portion of Future Minimum Lease Payments	<u>5,939</u>
Long Term Portion of Future Minimum Lease Payments	<u>\$ 3,957</u>

### **NOTE 5 – TAXES:**

#### **Ad Valorem Taxes**

The Village bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Grant Parish. For the year ended June 30, 2017, the Village levied 6.77 mills for general corporate purposes.

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed.

#### **Sales and Use Taxes**

On November 14, 2009, voters of the Village approved a one percent sales and use tax effective January 1, 2010 and expiring in ten years. The sales and use tax is dedicated for resurfacing all streets within the Village jurisdiction. In addition, proceeds from the sales and use tax can be used to fund bonds to pay the cost of resurfacing all streets within the Village jurisdiction. Sales and use taxes are collected on behalf of the Village by the Grant Parish Sheriff's Office. Revenues from sales taxes are reported on the accrual basis.

### **NOTE 6 – CAPITAL ASSETS**

A summary of the property and equipment reported by the Village at June 30, 2017 consists of the following:

# **VILLAGE OF DRY PRONG**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2017**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b><u>Governmental Activities</u></b>				
Land	\$ 47,883	\$ ----	\$ ----	\$ 47,883
<b><u>Capital Assets Being Depreciated:</u></b>				
Street Improvements	531,238	----	----	531,238
Buildings and Improvements	218,602	----	----	218,602
Machinery and Equipment	168,742	----	----	168,742
Total	918,582	----	----	918,582
Less Accumulated Depreciation	438,582	53,694	----	492,276
Total Net of Depreciation	\$ 480,000	\$ (53,694)	----	\$ 426,306
<b><u>Business-Type Activities</u></b>				
Land	\$ 41,369	\$ ----	\$ ----	\$ 41,369
<b><u>Capital Assets Being Depreciated:</u></b>				
Water Distribution System	\$ 2,216,296	\$ ----	\$ ----	\$ 2,216,296
Wastewater System	2,510,967	----	----	2,510,967
Equipment	290,982	----	----	290,982
Construction in Progress	----	49,372	----	49,372
Total	5,018,245	49,372	----	5,067,617
Less Accumulated Depreciation	2,373,990	127,785	----	2,501,775
Total Net of Depreciation	\$ 2,644,255	\$ (78,413)	\$ ----	\$ 2,565,842

Depreciation expense reported by various functions is presented as follows:

<b><u>Governmental Activities:</u></b>	
General Government	\$ 13,711
Streets	31,559
Police	8,424
Total Depreciation – Governmental Activities	\$ 53,694
<b><u>Business-Type Activities:</u></b>	
Utility Services	\$ 127,785

### **NOTE 7- RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

# **VILLAGE OF DRY PRONG**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2017**

---

The Village insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

### **NOTE 8 – RESTRICTIONS AND COMMITMENTS**

Details regarding limitations imposed on the use of various resources are summarized as follows:

#### **Long Term Advances**

A portion of the General Funds assets have been advanced to the utility funds and repayment is not anticipated in the near future. Since these resources are not available to finance current expenditures, a portion of the general fund balance is reported as non-spendable.

#### **Street Improvements**

The Village's voters approved a one per cent sales tax for a period of ten years beginning January 1, 2010. Proceeds from the sales tax may be used only for completing street improvements. Accordingly, sales taxes are reported in a special revenue fund in order to comply with restrictions imposed by the voters and the sales tax fund balance is reported as restricted for street improvements.

#### **Debt Service**

Bond covenants require the Village to establish bank accounts which serve as debt service reserves. Funds may be disbursed from these accounts only under specific circumstances described by the bond covenants.

### **NOTE 9 – INTERFUND BALANCES**

Interfund receivables and payables are described as follows:

	<u>Governmental Activities Receivables (Payables)</u>	<u>Business-Type Activities Receivables (Payables)</u>
As discussed in Note 1, interfund balances arise when the general fund disburses funds on behalf of the water and sewer funds. Reimbursements are submitted periodically but no significant reimbursements are expected within the next year.		
General Fund	\$ 355,133	\$ ----
Utility Fund	----	355,133
Government-Wide Totals	<u>\$ 355,133</u>	<u>\$ 355,133</u>

# **VILLAGE OF DRY PRONG**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2017**

---

Interfund transfers have been completed to provide resources to the sales tax fund to provide additional funds for street improvements and to the debt service fund established to repay debt issued to finance street improvements.

### **NOTE 10 - URAF CONTINGENCY**

In order to accommodate highway improvements, the Village has been required to relocate underground utility infrastructure that was located in the State's highway right of way. Funding for the relocation was provided by the State's Utility Relocation Assistance Fund (URAF). Under the terms of the URAF arrangement, the Village is not obligated to repay the URAF funds but if voluntary payments are not made, the Village may be denied access to the State's right of way when conducting future construction projects.

# **VILLAGE OF DRY PRONG**

## **General Fund**

### **Statement of Revenues, Expenditures and Changes in Fund Balances**

#### **Budget and Actual**

**Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b><u>Revenues:</u></b>				
Taxes:				
Ad valorem	\$ 12,000	\$ 12,000	\$ 13,602	\$ 1,602
Franchise	20,000	20,000	16,608	(3,392)
Occupational licenses	35,000	35,000	35,020	20
Intergovernmental	-	-	-	-
Fines and Court Cost	76,000	76,000	55,501	(20,499)
Miscellaneous	8,000	8,000	10,879	2,879
<b>Total revenues</b>	<b>151,000</b>	<b>151,000</b>	<b>131,610</b>	<b>(19,390)</b>
<b><u>General Government:</u></b>				
Salary - mayor and aldermen	6,000	6,000	5,800	200
Salaries - other	19,398	19,398	20,358	(960)
Animal control	5,400	5,400	4,050	1,350
Community center	3,000	3,000	4,288	(1,288)
Contract Labor	1,000	1,000	160	840
Dues and publications	1,000	1,000	1,334	(334)
Equipment purchases	-	-	817	(817)
Insurance	15,797	15,797	9,348	6,449
Legal and professional	17,000	17,000	23,703	(6,703)
Library	3,000	3,000	3,046	(46)
Office supplies	5,000	5,000	4,915	85
Payroll taxes and benefits	7,725	7,725	6,198	1,527
Printing and advertising	1,300	1,300	1,642	(342)
Repairs and maintenance	-	-	2,984	(2,984)
Streets and parks	16,380	16,380	12,989	3,391
Traffic ticket assessments	5,000	5,000	3,127	1,873
Utilities and telephone	7,800	7,800	9,415	(1,615)
Miscellaneous	3,500	3,500	3,126	374
<b>Total general government</b>	<b>118,300</b>	<b>118,300</b>	<b>117,300</b>	<b>1,000</b>

Continued...

# **VILLAGE OF DRY PRONG**

## **General Fund**

### **Statement of Revenues, Expenditures and Changes in Fund Balances**

#### **Budget and Actual**

**Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b><u>Public Safety:</u></b>				
Police department				
Salaries and payroll taxes	28,700	28,700	29,065	(365)
Fuel	2,000	2,000	1,848	152
Parts and supplies	2,000	2,000	2,101	(101)
Miscellaneous	-	-	74	(74)
<b>Total police department</b>	<b>32,700</b>	<b>32,700</b>	<b>33,088</b>	<b>(388)</b>
<b>Debt Service</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>
<b>Total expenditures</b>	<b>171,000</b>	<b>171,000</b>	<b>150,388</b>	<b>20,612</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(20,000)</b>	<b>(20,000)</b>	<b>(18,778)</b>	<b>1,222</b>
<b>Other sources (uses)</b>				
Operating transfers in (out)	20,000	20,000	-	(20,000)
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>(18,778)</b>	<b>(18,778)</b>
<b>Fund balance - beginning of year</b>	<b>422,685</b>	<b>422,685</b>	<b>422,685</b>	<b>-</b>
<b>Fund balance - end of year</b>	<b>\$ 422,685</b>	<b>\$ 422,685</b>	<b>\$ 403,907</b>	<b>\$ (18,778)</b>

# **VILLAGE OF DRY PRONG**

## ***Sales Tax Fund***

### ***Statement of Revenues, Expenditures and Changes in Fund Balances***

#### ***Budget and Actual***

***Year Ended June 30, 2017***

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b><u>Revenues:</u></b>				
Sales tax	\$ 45,000	\$ 45,000	\$ 53,833	\$ 8,833
<b>Total revenues</b>	<b>45,000</b>	<b>45,000</b>	<b>53,833</b>	<b>8,833</b>
<b><u>Expenditures:</u></b>				
Public Works	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>45,000</b>	<b>45,000</b>	<b>53,833</b>	<b>8,833</b>
<b><u>Other sources (uses)</u></b>				
Operating transfers in (out)	(34,000)	(34,000)	(34,006)	(6)
<b>Net Change in fund balances</b>	<b>11,000</b>	<b>11,000</b>	<b>19,827</b>	<b>8,827</b>
<b>Fund balance - beginning of year</b>	<b>40,140</b>	<b>40,140</b>	<b>40,140</b>	<b>-</b>
<b>Fund balance - end of year</b>	<b>\$ 51,140</b>	<b>\$ 51,140</b>	<b>\$ 59,967</b>	<b>\$ 8,827</b>

# **VILLAGE OF DRY PRONG**

## ***Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer For the year ended June 30, 2017***

---

---

### **Agency Head (Mayor) - Shane Davis**

<b>Purpose:</b>	
Compensation	\$ 2,400
Benefits	-
Reimbursements	-
	<hr/>
Total	<u>\$ 2,400</u>

**VILLAGE OF DRY PRONG**  
**SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS**  
For the year ended June 30, 2017

Shane Davis, Mayor	\$ 2,400
Della Barbee, Alderman	1,200
Leonard Hataway, Alderman	400
Billy Chandler, Alderman	600
Sandra Garlington, Alderman	<u>1,200</u>
 Total	 <u><u>\$ 5,800</u></u>



**Rozier Harrington  
& McKay** | CERTIFIED PUBLIC  
ACCOUNTANTS |

October 23, 2017

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Mayor and Board of Aldermen  
Village of Dry Prong, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Dry Prong, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Village of Dry Prong's basic financial statements, and have issued our report thereon dated October 23, 2017.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the Village of Dry Prong's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Dry Prong's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Dry Prong's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify

any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the Village of Dry Prong's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



ROZIER, HARRINGTON & McKAY  
Certified Public Accountants

# **VILLAGE OF DRY PRONG**

## ***SCHEDULE OF FINDINGS AND QUESTIONED COST For the Year Ended June 30, 2017***

---

### **PART I - SUMMARY OF AUDITOR'S RESULTS:**

- The Independent Auditors' Report on the financial statements of the Village of Dry Prong as of June 30, 2017 and for the year then ended expressed an unmodified opinion.
- The audit did not disclose any audit findings which are required to be reported as reportable conditions or material weaknesses.
- The results of the audit disclosed no instances of noncompliance that are considered to be material to the financial statements of the Village of Dry Prong.

### **PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:**

- None.

### **PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY OMB CIRCULAR A-133:**

- None.

# **VILLAGE OF DRY PRONG**

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

**For the Year Ended June 30, 2017**

---

<b>SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.</b>	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
<b>SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
<b>SECTION III MANAGEMENT LETTER</b>	
No management letter was issued.	Response – N/A

# **VILLAGE OF DRY PRONG**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COST For the Year Ended June 30, 2017**

---

<b>SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.</b>	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
<b>SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
No findings of this nature were reported as a result of the previous audit.	Response – N/A
<b>SECTION III MANAGEMENT LETTER</b>	
No management letter was issued.	Response – N/A