

**Village of Mooringsport, Louisiana**  
**Financial Statements**  
**As of and for the Year Ended June 30, 2018**

Village of Mooringsport, Louisiana  
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# COOK & MOREHART

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## Independent Accountants' Review Report

To the Honorable Ann Holt Dearing, Mayor  
and the Village Council  
Village of Mooringsport, Louisiana  
Mooringsport, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Village of Mooringsport, Louisiana, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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 the financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Required Supplementary Information**

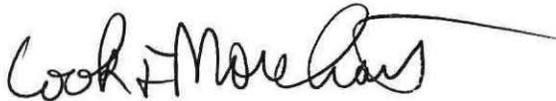
Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic

financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The results of our review of the basic financial statements are not affected by this missing information.

### **Supplementary Information**

The supplementary information included in the accompanying Schedule of Compensation Paid to Council Members and Mayor on page 26 and the Schedule of Compensation, Benefits and Other Payments to Agency Head on page 27 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplemental information has been subjected to the review procedures applied in the review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

A handwritten signature in black ink, appearing to read "Cook & Morehart", with a long horizontal flourish extending to the right.

Cook & Morehart  
Certified Public Accountants  
December 20, 2018

Village of Mooringsport  
Mooringsport, Louisiana  
Statement of Net Position  
June 30, 2018

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash	\$ 98,551	\$ 23,318	\$ 121,869
Investments	91,030		91,030
Receivables	11,458	34,405	45,863
Internal balances	6,966	(6,966)	
Restricted cash:			
Customer deposits		18,470	18,470
Debt service		7,487	7,487
Restricted investments - customer deposits		24,270	24,270
Capital assets not being depreciated	59,269	5,307	64,576
Depreciable capital assets, net	252,112	847,965	1,100,077
<b>Total Assets</b>	<b>519,386</b>	<b>954,256</b>	<b>1,473,642</b>
<b>Liabilities</b>			
Accounts payable and accrued expenses	11,813	8,609	20,422
Payable from restricted assets:			
Customer deposits		42,740	42,740
Revenue bonds payable - due within one year		9,000	9,000
Non-current Liabilities			
Due in more than one year		12,478	12,478
<b>Total liabilities</b>	<b>11,813</b>	<b>72,827</b>	<b>84,640</b>
<b>Net Position</b>			
Net investment in capital assets	311,381	831,794	1,143,175
Restricted for debt service		7,487	7,487
Unrestricted	196,192	42,148	238,340
<b>Total net position</b>	<b>\$ 507,573</b>	<b>\$ 881,429</b>	<b>\$ 1,389,002</b>

See accompanying notes and independent accountants' review report.

Village of Mooringsport  
Mooringsport, Louisiana  
Statement of Activities  
For the Year Ended June 30, 2018

	<u>Program Revenues</u>		<u>Net (Expenses) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Functions/Programs:</u>					
Governmental activities:					
General government	\$ 94,577	\$	\$ (94,577)	\$	\$ (94,577)
Public safety	55,812	35,158	(20,654)		(20,654)
Total governmental activities	<u>150,389</u>	<u>35,158</u>	<u>(115,231)</u>		<u>(115,231)</u>
Business-type activities					
Water and Sewer	392,940	322,530		(70,410)	(70,410)
Total business-type activities	<u>392,940</u>	<u>322,530</u>		<u>(70,410)</u>	<u>(70,410)</u>
Total government	<u>\$ 543,329</u>	<u>\$ 357,688</u>	<u>\$ (115,231)</u>	<u>\$ (70,410)</u>	<u>\$ (185,641)</u>
General revenues:					
			21,638		21,638
			46,914		46,914
			48,845		48,845
			15,137		15,137
			184	17	201
			6,541		6,541
			<u>139,259</u>	<u>17</u>	<u>139,276</u>
			24,028	(70,393)	(46,365)
			<u>483,545</u>	<u>951,822</u>	<u>1,435,367</u>
			<u>\$ 507,573</u>	<u>\$ 881,429</u>	<u>\$ 1,389,002</u>

See accompanying notes and independent accountants' review report.

Village of Mooringsport  
Mooringsport, Louisiana  
Balance Sheet  
Governmental Fund  
June 30, 2018

Assets	<u>General</u>
Cash	\$ 98,551
Investments	91,030
Receivables	11,458
Due from other funds	<u>6,966</u>
Total Assets	<u><u>\$ 208,005</u></u>
Liabilities and Fund Balance	
Liabilities:	
Accounts payable and accrued expenses	<u>\$ 11,813</u>
Total Liabilities	<u>11,813</u>
Fund balance:	
Assigned for cemetery	55,605
Unassigned	<u>140,587</u>
Total Fund Balance	<u>196,192</u>
Total Liabilities and Fund Balances	<u><u>\$ 208,005</u></u>

See accompanying notes and independent accountants' review report.

Village of Mooringsport  
Mooringsport, Louisiana  
Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2018

Fund Balance - Governmental Fund	\$	196,192
Amounts reported for government activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		<u>311,381</u>
Net Position of Governmental Activities	\$	<u><u>507,573</u></u>

See accompanying notes and independent accountants' review report.

Village of Mooringsport  
Mooringsport, Louisiana  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Fund  
For the Year Ended June 30, 2018

Revenues:	<u>General</u>
Taxes	
Sales tax	\$ 46,914
Franchise tax	48,845
Ad Valorem	21,638
Licenses and permits	15,137
Fines and forfeitures	35,158
Investment earnings	184
Other revenues	<u>6,541</u>
Total revenues	<u>174,417</u>
Expenditures:	
Current	
General government	76,382
Public safety	46,652
Capital outlay	<u>3,020</u>
Total expenditures	<u>126,054</u>
Net change in fund balance	48,363
Fund balance, beginning of year	<u>147,829</u>
Fund balance, end of year	<u><u>\$ 196,192</u></u>

See accompanying notes and independent accountants' review report.

Village of Mooringsport  
Mooringsport, Louisiana  
Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in the Fund Balance of the Governmental Fund to the Statement of Activities  
For the Year Ended June 30, 2018

Net change in fund balance - governmental fund	\$ 48,363
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Amounts reported for governmental activities in the Statement of Activities are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation \$(27,355) exceeds capital outlays \$(3,020) in the current period.

(24,335)

Change in Net Position of Governmental Activities

\$ 24,028

See accompanying notes and independent accountants' review report.

Village of Mooringsport  
Mooringsport, Louisiana  
Statement of Net Position  
Proprietary Fund  
June 30, 2018

		Business-Type Activities Enterprise Fund
		Water and Sewer Fund
<b>Assets</b>		
Current assets		
Cash	\$	23,318
Restricted cash - customer deposits		18,470
Restricted investments - customer deposits		24,270
Receivables		34,405
Total current assets		100,463
Noncurrent assets		
Restricted cash - debt service		7,487
Capital assets not being depreciated		5,307
Depreciable capital assets, net		847,965
Total noncurrent assets		860,759
Total assets		961,222
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued expenses		8,609
Due to other funds		6,966
Payable from restricted assets:		
Customer deposits		42,740
Revenue bonds payable		9,000
Total current liabilities		67,315
Noncurrent liabilities		
Revenue bonds		12,478
Total noncurrent liabilities		12,478
Total liabilities		79,793
<b>Net position</b>		
Net investment in capital assets		831,794
Restricted for debt service		7,487
Unrestricted		42,148
Total net position	\$	881,429

See accompanying notes and independent accountants' review report.

Village of Mooringsport  
Mooringsport, Louisiana  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2018

	Business-Type Activities Enterprise Fund
	Water and Sewer Fund
Operating Revenues	
Charges for services	\$ 319,466
Other	3,064
Total operating revenues	322,530
Operating Expenses	
Personal services	144,662
Water purchases	92,501
Office expense	22,404
Utilities	7,812
Insurance	18,828
Repair and maintenance	24,400
Depreciation	81,017
Total operating expenses	391,624
Operating income (loss)	(69,094)
Non-Operating Revenues (Expenses)	
Interest income	17
Interest expense	(1,316)
Total non-operating revenues (expenses)	(1,299)
Change in net position	(70,393)
Total net position, beginning of year	951,822
Total net position, end of year	\$ 881,429

See accompanying notes and independent accountants' review report.

Village of Mooringsport  
Mooringsport, Louisiana  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2018

	Business-Type Activities Enterprise Fund
	Water and Sewer Fund
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 320,399
Payments to suppliers	(164,906)
Payments to employees	(144,662)
Net cash provided by operating activities	10,831
Cash Flows from Capital and Related Financing Activities	
Principal paid on capital debt	(10,955)
Interest paid on capital debt	(1,316)
Net cash (used) in capital and related financing activities	(12,271)
Cash Flows from Investing Activities	
Interest income	17
Net cash provided by investing activities	17
Net decrease in cash	(1,423)
Cash, beginning of year	50,698
Cash, end of year	\$ 49,275
Cash is reflected on the statement of net position as follows:	
Cash	\$ 23,318
Restricted cash - customer deposits	18,470
Restricted cash - debt service	7,487
	\$ 49,275
Reconciliation of Operating Income(loss) to Net Cash Provided (used) by Operating Activities:	
Operating income (loss)	\$ (69,094)
Adjustments to Reconcile Operating Income (loss) to Net Cash Provided (used) by Operating Activities:	
Depreciation expense	81,017
(Increase) decrease in accounts receivable	(2,131)
Increase (decrease) in accounts payable	(196)
Increase (decrease) customer deposits	1,235
Net cash provided by operating activities	\$ 10,831

See accompanying notes and independent accountants' review report.

Village of Mooringsport  
Mooringsport, Louisiana  
Notes to the Financial Statements  
June 30, 2018

Introduction

The Village of Mooringsport, Louisiana (The Village) was incorporated in 1934, under the provisions of the Lawrason Act. The Village is located in the Parish of Caddo.

Elected officials of the Village of Mooringsport are a mayor, five (5) councilmen, and a chief of police, who are elected every four years. The affairs of the Village are conducted and managed by the mayor and the councilmen.

During the year ended June 30, 2015, the Mayor and Board of Alderman of the Town of Mooringsport sent a resolution to the State of Louisiana, Executive Department, requesting a change in classification of Mooringsport from a Town to a Village in accordance with R.S. 33:342 (A). The Governor of the State of Louisiana, through Proclamation No. 100 BJ 2015 dated June 30, 2018 changed the classification of Mooringsport from a Town to a Village.

(1) Summary of Significant Accounting Policies

The Village of Mooringsport's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Village of Mooringsport are discussed below.

A. Reporting Entity

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

GASB established criteria for determining which component units should be considered part of the Village of Mooringsport for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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.

(Continued)

Village of Mooringsport  
Mooringsport, Louisiana  
Notes to the Financial Statements  
June 30, 2018  
(Continued)

In addition, the GASB states that a legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if *all* of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

In addition, other organizations should be evaluated as potential component units if they are closely related to, or financially integrated with, the primary government.

Based on the criteria described above, there are no component units to be included as part of the reporting entity.

**B. Basic Financial Statements – Government-Wide Statements**

The Village of Mooringsport's basic financial statements include both government-wide (reporting the funds maintained by the Village of Mooringsport as a whole) and fund financial statements (reporting the Village of Mooringsport's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's general fund is classified as governmental activities. The Village's water and sewer services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental activities and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations. The Village of Mooringsport's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village of Mooringsport's functions. The functions are also supported by general government revenues (sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

(Continued)

Village of Mooringsport  
Mooringsport, Louisiana  
Notes to the Financial Statements  
June 30, 2018  
(Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations of providing water and sewer services.

The net costs (by function) are normally covered by general revenue (sales and use taxes, certain intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Village of Mooringsport as an entity and the change in the Village of Mooringsport's net assets resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Village of Mooringsport are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Village of Mooringsport:

1. Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Village of Mooringsport:
  - a. General fund is the general operating fund of the Village of Mooringsport. It is used to account for all financial resources except those required to be accounted for in another fund.
2. Proprietary Funds – the focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:
  - a. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of fund category) for the determination of major funds.

(Continued)

Village of Mooringsport  
Mooringsport, Louisiana  
Notes to the Financial Statements  
June 30, 2018  
(Continued)

The following major funds are presented in the fund financial statements:

General Fund – accounts for all financial resources except those required to be accounted for in another fund.

Enterprise Fund – accounts for the provision of water and sewer services of the Village.

D. Basis of Accounting

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

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by R.S. 33:2955 and the Village's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

F. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

(Continued)

Village of Mooringsport  
Mooringsport, Louisiana  
Notes to the Financial Statements  
June 30, 2018  
(Continued)

Buildings and improvements	10–40 years
Land improvements	10–30 years
Infrastructure	25–50 years
Furniture and equipment	5–15 years
Vehicles	5–15 years
Other equipment	5–10 years
Water and sewer systems	5–40 years

GASB requires the Village to report and depreciate new infrastructure assets effective July 1, 2003. Infrastructure assets include roads, bridges, traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is not required.

G. Revenues

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Revenues from ad valorem taxes are budgeted in the year billed. Sales tax revenues are recorded in the period in which the underlying exchange has occurred. Fines, forfeitures, licenses, and permits are recognized in the period they are collected. Interest income on demand and time deposits is recorded when earned. Federal and state grants are recorded when the Village is entitled to the funds.

H. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Village’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

I. Sales Taxes

The Village receives a one (1) percent sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated to construction, acquiring, extending, improving and/or maintaining drainage facilities, streets, street lighting facilities, bridges, sidewalks, waterworks, sewers and sewer disposal works, recreational facilities, public parks, public buildings and equipment, payment of salaries of municipal employees, maintaining and operating the municipal police department including the purchase of equipment thereof, or for any one or more of said purpose, title to which improvements shall be in the public.

(Continued)

Village of Mooringsport  
Mooringsport, Louisiana  
Notes to the Financial Statements  
June 30, 2018  
(Continued)

J. Interfund Activity

Interfund activity is reported as either loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

K. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities in the statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Bad Debts

The Village uses the direct charge-off method of accounting for water and sewer system receivables. Although this method is not in accordance with generally accepted accounting principles, the overall effect on the financial statements is immaterial.

N. Capitalized Interest

The Village capitalizes net interest costs and interest earned as part of the cost of constructing various water and sewer projects when material.

O. Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the Water and Sewer Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

(Continued)

Village of Mooringsport  
Mooringsport, Louisiana  
Notes to the Financial Statements  
June 30, 2018  
(Continued)

P. Fund Balance

GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

1. Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as inventory or prepaid expenses, or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.
2. Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balances include amounts that can be used only for the specific purposes as a result of constraints imposed by the Village Council (the Village's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the board of aldermen removes those constraints by taking the same type of action (i.e. legislation, resolution, ordinance).
4. Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the Mayor, an appointed body or official the Village Council has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes.
5. Unassigned fund balance are the residual classification for the Village's general fund and include all spendable amounts not contained in the other classifications.

The Village's policy is to apply expenditures against nonspendable fund balances, restricted fund balances, committed fund balances, assigned fund balances, and unassigned fund balances, in that order.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceeds the positive fund balance for the non-general fund.

Q. Postretirement Benefits

The Village provides no postretirement benefits to its employees.

R. Compensated Absences

The Village provides for leave for its full time employees, but does not allow any carry forward of that time not used during the year.

(Continued)

Village of Mooringsport  
Mooringsport, Louisiana  
Notes to the Financial Statements  
June 30, 2018  
(Continued)

S. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the Village has no transactions that meet the definition of deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At this time, the Village has no transactions that meet the definition of deferred inflows of resources.

(2) Budgets

The Village follows the following budget practices:

Formal budgetary accounting is employed as a management control. Village of Mooringsport prepares and adopts a budget each year for its general and utility funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). All budget appropriations lapse at year end. There was one budget amendment during the year ended June 30, 2018.

(3) Cash, Cash Equivalents, and Investments

At June 30, 2018, the Village has cash, cash equivalents, and investments (book balances), totaling \$263,126, as detailed below.

A. Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2018 (book balances) totaled \$147,826, of which \$25,957 is shown as a restricted asset. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

(Continued)

Village of Mooringsport  
Mooringsport, Louisiana  
Notes to the Financial Statements  
June 30, 2018  
(Continued)

B. Investments

At June 30, 2018, the Village had investments totaling \$115,300, of which \$24,270 is shown as a restricted asset.

Certificates of deposit	<u>\$ 115,300</u>
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The certificates of deposit have initial maturities greater than 90 days and are carried at cost, which approximates market.

C. Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2018, 100% of the Village's bank balances were secured by FDIC insurance.

(4) Receivables

Receivables at June 30, 2018 are as follows:

Governmental activities:	
Sales and use taxes	\$ 3,355
Licenses and permits	282
Franchise	<u>7,821</u>
	<u>11,458</u>
Business-type activities:	
Water and sewer charges	<u>34,405</u>
	<u>34,405</u>
	<u>\$ 45,863</u>

(5) Restricted Assets – Enterprise Fund

Certain resources are set aside for specific purposes and are classified as restricted assets on the balance sheet because their use is limited. Restricted assets as of June 30, 2018 are as follows:

Water and Sewer Fund

Customer meter deposits	\$ 42,740
Debt service	<u>7,487</u>
	<u>\$ 50,227</u>

(Continued)

Village of Mooringsport  
Mooringsport, Louisiana  
Notes to the Financial Statements  
June 30, 2018  
(Continued)

(6) Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2018 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 59,269	\$	\$	\$ 59,269
Total capital assets, not being depreciated	59,269			59,269
Capital assets, being depreciated				
Buildings and other improvements	353,706			353,706
Machinery and equipment	152,765	3,020	(21,324)	134,461
Total capital assets being depreciated	506,471	3,020	(21,324)	488,167
Less accumulated depreciation for:				
Buildings and improvements	(156,796)	(10,185)		(166,981)
Machinery and equipment	(73,228)	(17,170)	21,324	(69,074)
Total accumulated depreciation	(230,024)	(27,355)	21,324	(236,055)
Total capital assets being depreciated, net	276,447	(24,335)		252,112
Governmental activities capital assets, net	\$ 335,716	\$ (24,335)	\$	\$ 311,381

(Continued)

Village of Mooringsport  
Mooringsport, Louisiana  
Notes to the Financial Statements  
June 30, 2018  
(Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, not being depreciated				
Land	\$ 5,307	\$	\$	\$ 5,307
Total capital assets, not being depreciated	5,307			5,307
Capital assets, being depreciated				
Distribution system	2,590,976			2,590,976
Machinery and equipment	40,366			40,366
Total capital assets, being depreciated	2,631,342			2,631,342
Less accumulated depreciation for:				
Distribution system	(1,682,297)	(75,918)		(1,758,215)
Machinery and equipment	(20,063)	(5,099)		(25,162)
Total accumulated depreciation	(1,702,360)	(81,017)		(1,783,377)
Total capital assets being depreciated, net	928,982	(81,017)		847,965
Business-type activites capital assets, net	\$ 934,289	\$ (81,017)	\$	\$ 853,272

Depreciation expense for the year ended June 30, 2018 was charged as follows:

Governmental activities:	
General	\$ 18,195
Public safety	9,160
Total	\$ 27,355
Business-Type activities	
Water and sewer	\$ 81,017
Total	\$ 81,017

(Continued)

Village of Mooringsport  
Mooringsport, Louisiana  
Notes to the Financial Statements  
June 30, 2018  
(Continued)

(7) Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-type Activities:					
Utility Revenue Bonds	\$ 32,433	\$	\$ (10,955)	\$ 21,478	\$ 9,000

Utility Revenue Bonds –

\$68,000 revenue bonds dated February, 2011; due in annual payments ranging from \$7,000 - \$10,000 which includes principal and interest; interest rate of 4.25%; final payment due February, 2021.

\$ 21,478

The Utility Revenue Bonds constitute special obligations of the Village solely secured by a lien on and pledge of the net revenues of the water and sewer system.

Debt service requirements at June 30, 2018, were as follows:

Business-Type Activities - Utility Revenue Bonds

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 9,000	\$ 1,147
2020	9,000	765
2021	3,478	382
	<u>\$ 21,478</u>	<u>\$ 2,294</u>

(Continued)

Village of Mooringsport  
Mooringsport, Louisiana  
Notes to the Financial Statements  
June 30, 2018  
(Continued)

(8) Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village attempts to minimize risk from significant losses through the purchase of insurance.

(9) Subsequent Events

Subsequent events have been evaluated through December 20, 2018, the date the financial statements were available to be issued.

(10) Levied Taxes

The Village levies taxes on real and business personal property located within its boundaries. The Parish Tax Assessor assesses the property values and prepares the Village's property tax roll. The Village bills and collects its own property taxes. Ad valorem taxes are levied and billed to the taxpayers in December, and are payable upon receipt of notice. Ad valorem taxes attach as an enforceable lien on property as of December 31, of each year. Taxes of 10.65 mills were levied and were dedicated for general operating purposes.

(11) Interfund Activity

At June 30, 2018 the enterprise fund owed the general fund \$6,966.

Village of Mooringsport  
Mooringsport, Louisiana  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (GAAP) and Actual  
General Fund  
For the Year Ended June 30, 2018

	Budgeted Amount		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Sales tax	\$ 30,000	\$ 35,004	\$ 46,914	\$ 11,910
Franchise tax	32,500	40,008	48,845	8,837
Ad valorem tax	18,192	21,000	21,638	638
License and permits	21,756	21,708	15,137	(6,571)
Fines and forfeitures	15,000	30,000	35,158	5,158
Investment earnings	132	84	184	100
Miscellaneous	25,546	25,816	6,541	(19,275)
Total revenues	143,126	173,620	174,417	797
Expenditures				
Current				
General government	112,204	113,005	76,382	36,623
Public safety	37,104	40,000	46,652	(6,652)
Capital Outlay	30,000	1,008	3,020	(2,012)
Total expenditures	179,308	154,013	126,054	27,959
Net change in fund balance	(36,182)	19,607	48,363	28,756
Fund balance, beginning of year	147,829	147,829	147,829	
Fund balance, end of year	\$ 111,647	\$ 167,436	\$ 196,192	\$ 28,756

Village of Mooringsport  
Mooringsport, Louisiana  
Schedule of Compensation Paid to Council Members and Mayor  
For the Year Ended June 30, 2018

Mayor:

Ann H. Dearing	\$ 3,000
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Council:

Vera Bodin	600
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George Moore	600
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Jane Player	600
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Patricia Williams	600
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Terry L. Dodd	<u>600</u>
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Total	<u><u>\$ 6,000</u></u>
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Village of Mooringsport  
Mooringsport, Louisiana  
Schedule of Compensation, Benefits, and Other Payments to Agency Head  
For the Year Ended June 30, 2018

Agency Head: Ann H. Dearing, Major

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 3,000
Reimbursements - travel	233

Village of Mooringsport  
Mooringsport, Louisiana  
Summary Schedule of Prior Year Audit Findings  
For Louisiana Legislative Auditor  
June 30, 2018

**Finding 2017-1**

**Condition:** The segregation of duties is inadequate to provide effective internal control.

**Criteria:** The Clerk or Assistant Clerk performs related duties such as posting accounting records, preparing and making deposits, preparing payroll, preparing bank reconciliations, and posting to customer accounts.

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

**Current Status:** Repeat Finding in June 30, 2018 review as it relates to collections-deposits.

Village of Mooringsport  
Mooringsport, Louisiana  
Schedule of Current Year Audit Findings  
For Louisiana Legislative Auditor  
June 30, 2018

**Current Year Findings**

2018-1 Material Weakness – Segregation of Duties for Deposits and Collections

Criteria: Internal controls should be in place to adequately account the Village's deposits and collections, including proper segregation of duties.

Condition: The Village Clerk or assistant are the only employees that collect payments from customers and make the deposits.

Cause: The Village administrative office has only two employees, the Village Clerk and assistant clerk, for the collection of payments to the Village. Due to the size of the Village and economic limitations, proper segregation of duties is limited.

Effect: Due to the lack of segregation of duties, errors and /or irregularities could occur and not be detected.

Recommendation: It may not be cost effective or practical to correct the finding due to the economic limitations of the Village.

Management Response: The Village of Mooringsport is a small village with limited funds. Due to the size of our village and the work load involved it is not feasible to hire more employees to run our business office.

Name of Contact Person: Ann Holt Dearing, Mayor

# COOK & MOREHART

*Certified Public Accountants*

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CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## Independent Accountants' Report On Applying Agreed-Upon Procedures

To the Honorable Ann Holt Dearing, Mayor  
and the Village Council  
Village of Mooringsport, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the Village of Mooringsport and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Mooringsport's compliance with certain laws and regulations during the year ended June 30, 2018 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$152,500. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement) or R.S. 38:221-2296 (the public bid law), whichever is applicable; report whether the expenditures were made in accordance with these laws.

There were no expenditures made during the year ended June 30, 2018 exceeding the limits previously described.

### Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics).

The Village provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

The Village provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from the Village in agreed-upon procedure (3) were also included on the listing obtained from the Village in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by the Village [agreed-upon procedures (3)] appeared on the list provided by the Village in agreed-upon procedure (2).

5. Obtain a list of all disbursement made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Obtained listings, no vendors appeared on both lists.

#### Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

The Village provided us with a copy of the original budget and amendments. There was one amendment to the budget during the year ended June 30, 2018.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

We traced the adoption of the original budget to the minutes of a meeting held on June 9, 2017 and the amended budget meeting held on May 10, 2018, which indicated that the budget had been adopted by the Council. No exceptions were noted.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues fail to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures.

- 1) Revenues met budgeted revenues by 5% or more.
- 2) Expenditures did not exceed budgeted amounts by greater than 5%.

#### Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select 6 disbursements and obtain documentation from management for those disbursements. Compare the selected disbursements to the supporting documentation, and:

- (a) report whether the six disbursements agree to the amount and payee in the supporting documentation.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) report whether the six disbursements are coded to the correct fund and general ledger account;

All six disbursements were properly coded to the correct fund and general ledger account.

- (c) report whether the six disbursements were approved in accordance with management's policies and procedures.

Inspection of documentation supporting each of the six selected disbursements indicated the six disbursements were approved in accordance with management's policies and procedures.

### Meetings

10. Obtain evidence from management indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Village posted its meetings and agendas as required by LSA-RS 42:1 through 42:12 (the open meetings law).

### Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there were any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We inspected copies of all bank deposits slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

### Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

A reading of the minutes of the Village for the year ended June 30, 2018 indicated no approval for the payments noted that constituted bonuses, advances, or gifts. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

13. Prior Comments and Recommendations

See attached Summary Schedule of Prior Year Findings.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Mooringsport and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Cook & Morehart  
Certified Public Accountants  
December 20, 2018

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Governmental Agencies)**

12/12/18 (Date Transmitted)

Cook & Morehart CPAs \_\_\_\_\_ (CPA Firm Name)

\_\_\_\_\_ (CPA Firm Address)

\_\_\_\_\_ (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 6/30/18 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [  ] No [  ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [  ] No [  ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [  ] No [  ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [  ] No [  ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [  ] No [  ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [  ] No [  ]

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [  ] No [  ]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [  ] No [  ]

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [  ] No [  ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.  
Yes [  ] No [  ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.  
Yes [  ] No [  ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.  
Yes [  ] No [  ]

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.  
Yes [  ] No [  ]

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.  
Yes [  ] No [  ]

We have evaluated our compliance with these laws and regulations prior to making these representations.  
Yes [  ] No [  ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.  
Yes [  ] No [  ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.  
Yes [  ] No [  ]

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.  
Yes [  ] No [  ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.  
Yes [  ] No [  ]

The previous responses have been made to the best of our belief and knowledge.

| Ann Lee Dearing  
\_Date

MAYOR  
~~Secretary~~

12/12/18

\_\_\_\_\_  
Treasurer \_\_\_\_\_ Date

\_\_\_\_\_  
President \_\_\_\_\_ Date