

**VILLAGE OF DOWNSVILLE
LOUISIANA**

**FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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VILLAGE OF DOWNSVILLE, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 31, 2018

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ACCOUNTANT'S COMPILATION REPORT

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

Management is responsible for the accompanying financial statements of the governmental activities, the business type activities, and each major fund of the Village of Downsville, Louisiana, as of and for the year ended December 31, 2018, which collectively comprise the Village of Downsville's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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

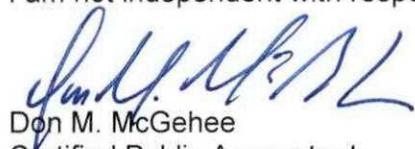
Management has omitted the *management's discussion and analysis* information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 14 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a 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. Such information is the responsibility of management. The required supplementary information was subject to my compilation engagement. I have not audited or reviewed the required supplementary information and, do not express an opinion, a conclusion, nor provide any assurance on such information.

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

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



Don M. McGehee
Certified Public Accountant
July 3, 2019

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash	\$ 6,274	\$ 0	\$ 6,274
Accounts Receivable, net	0	15,386	15,386
Taxes Receivable	1,044	0	1,044
Internal Balances	19,826	(19,826)	0
Prepaid Expenses	321	551	872
Noncurrent Assets:			
Restricted Cash	0	57,751	57,751
Capital Assets, net	483,981	730,968	1,214,949
Other Assets	0	30	30
TOTAL ASSETS	<u>\$ 511,446</u>	<u>\$ 784,860</u>	<u>\$ 1,296,306</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 850	\$ 36,414	\$ 37,264
Accrued Expenses	0	417	417
Accrued Interest Payable	0	250	250
Current Portion of Revenue Bonds Payable	0	8,925	8,925
Noncurrent Liabilities:			
Customer Deposits	0	14,377	14,377
Revenue Bonds Payable	0	96,949	96,949
TOTAL LIABILITIES	<u>850</u>	<u>157,332</u>	<u>158,182</u>
NET POSITION			
Invested in Capital Assets, net of related debt	483,981	625,093	1,109,074
Restricted for Debt Service	0	31,745	31,745
Unrestricted	26,615	(29,310)	(2,695)
TOTAL NET POSITION	<u>510,596</u>	<u>627,528</u>	<u>1,138,124</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 511,446</u>	<u>\$ 784,860</u>	<u>\$ 1,296,306</u>

See accountant's report.

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
PRIMARY GOVERNMENT							
GOVERNMENTAL ACTIVITIES:							
General Government	\$ 6,924	\$ 0	\$ 0	\$ 0	\$ (6,924)	\$ 0	\$ (6,924)
Police	11,139	0	6,000	0	(5,139)	0	(5,139)
Streets	2,634	0	0	0	(2,634)	0	(2,634)
Parks and Recreation	20,544	0	0	0	(20,544)	0	(20,544)
TOTAL GOVERNMENTAL ACTIVITIES	41,241	0	6,000	0	(35,241)	0	(35,241)
BUSINESS-TYPE ACTIVITIES:							
Water and Sewer	134,621	79,791	12,500	0	0	(42,330)	(42,330)
TOTAL PRIMARY GOVERNMENT	\$ 175,862	\$ 79,791	\$ 18,500	\$ 0	(35,241)	(42,330)	(77,571)
GENERAL REVENUES:							
Franchise Tax					4,825	0	4,825
Rent					350	0	350
Licenses					2,270	0	2,270
Investment Earnings					3	76	79
Other Revenue					1,500	0	1,500
TRANSFERS					4,607	(4,607)	0
TOTAL GENERAL REVENUES AND TRANSFERS					13,555	(4,531)	9,024
CHANGE IN NET POSITION					(21,686)	(46,861)	(68,547)
NET POSITION-BEGINNING					532,282	674,389	1,206,671
NET POSITION-ENDING					\$ 510,596	\$ 627,528	\$ 1,138,124

See accountant's report.

FUND FINANCIAL STATEMENTS

VILLAGE OF DOWNSVILLE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUND
GENERAL FUND
DECEMBER 31, 2018

ASSETS	
Cash	\$ 6,274
Franchise Tax Receivable	1,044
Due from Water and Sewer Fund	19,826
Prepaid Insurance	<u>321</u>
TOTAL ASSETS	<u>\$ 27,465</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Accounts Payable	\$ <u>850</u>
TOTAL LIABILITIES	<u>850</u>
FUND BALANCE:	
Nonspendable--	
Prepaid Insurance	321
Unassigned	<u>26,294</u>
TOTAL FUND BALANCE	<u>26,615</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 27,465</u>

RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018

Total Fund Balance-Governmental Fund	\$ 26,615
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	<u>483,981</u>
 Net Position of Governmental Activities	 <u>\$ 510,596</u>

See accountant's report.

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--GOVERNMENTAL FUND
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUES

Franchise Taxes	\$ 4,825
Licenses and Permits	2,270
Intergovernmental	
State Supplemental Pay	6,000
Rent	350
Miscellaneous	1,500
Interest	<u>3</u>
TOTAL REVENUES	<u>14,948</u>

EXPENDITURES

General Government	
Dues	125
Maintenance of Town Property	700
Insurance	100
Office Supplies	103
Professional Fees	2,020
Town Hall Expense	3,876
Police Department	
Insurance	879
Salaries	10,260
Street Department	
Street Lights	2,635
Park and Recreation Department	
Utilities	<u>178</u>
TOTAL EXPENDITURES	<u>20,876</u>

**DEFICIENCY OF REVENUES
UNDER EXPENDITURES**

(5,928)

OTHER FINANCING SOURCES

Operating Transfer In--Water and Sewer Fund	<u>4,607</u>
TOTAL OTHER FINANCING SOURCES	<u>4,607</u>

**DEFICIENCY OF REVENUES AND OTHER SOURCES
UNDER EXPENDITURES**

(1,321)

FUND BALANCE-BEGINNING

27,936

FUND BALANCE-ENDING

\$ 26,615

See accountant's report.

VILLAGE OF DOWNSVILLE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

NET CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS \$ (1,321)

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

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

(20,365)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (21,686)

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2018

	<u>Water and Sewer Enterprise Fund</u>
ASSETS	
CURRENT ASSETS:	
Accounts Receivable, net	\$ 15,386
Prepaid Insurance	<u>551</u>
TOTAL CURRENT ASSETS	<u>15,937</u>
NONCURRENT ASSETS:	
Restricted Cash	<u>57,751</u>
Capital Assets:	
Land	1,000
Equipment	3,484
Sewer System Improvements	417,675
Water Distribution System	1,409,461
Less Accumulated Depreciation	<u>(1,100,652)</u>
Capital Assets, net	<u>730,968</u>
Other Assets	<u>30</u>
TOTAL NONCURRENT ASSETS	<u>788,749</u>
TOTAL ASSETS	<u>804,686</u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts Payable	36,414
Accrued Expenses	417
Due to General Fund	19,826
Accrued Interest Payable	250
Current Maturities of Long-Term Debt	<u>8,925</u>
TOTAL CURRENT LIABILITIES	<u>65,832</u>
NONCURRENT LIABILITIES:	
Customer Deposits	14,377
Long-Term Debt	<u>96,949</u>
TOTAL NONCURRENT LIABILITIES	<u>111,326</u>
TOTAL LIABILITIES	<u>177,158</u>
NET POSITION	
Invested in Capital Assets, net of related debt	625,093
Restricted for Debt Service	31,745
Unrestricted	<u>(29,310)</u>
TOTAL NET POSITION	<u>\$ 627,528</u>

See accountant's report.

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Water and Sewer Enterprise Fund</u>
OPERATING REVENUES	
Water Sales	\$ 47,517
Sewer Charges	<u>32,276</u>
TOTAL OPERATING REVENUES	<u>79,793</u>
OPERATING EXPENSES	
Accounting	4,900
Depreciation	45,785
Dues	300
Insurance	2,204
Miscellaneous	40
Office Supplies	1,513
Outside Services	16,110
Professional Fees	4,193
Safe Drinking Water Fee	1,080
Salaries	6,000
System Repair and Maintenance	39,240
System Supplies and Expense	670
Taxes-Payroll	499
Telephone and Utilities	<u>6,296</u>
TOTAL OPERATING EXPENSES	<u>128,830</u>
OPERATING LOSS	(49,037)
NON-OPERATING REVENUES AND (EXPENSES)	
Intergovernmental Revenue - Grant	12,500
Interest Income	76
Interest Expense	<u>(5,791)</u>
NET NON-OPERATING REVENUES (EXPENSES)	<u>6,785</u>
INCOME BEFORE TRANSFERS	(42,252)
TRANSFERS OUT	<u>(4,607)</u>
CHANGE IN NET POSITION	(46,859)
TOTAL NET POSITION - BEGINNING	<u>674,387</u>
TOTAL NET POSITION - ENDING	<u>\$ 627,528</u>

See accountant's report.

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Water and Sewer Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers and Users	\$ 74,279
Cash Payments for Goods and Services	(64,268)
Cash Payments for Salaries and Wages	<u>(6,000)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>4,011</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Operating Grant	12,500
Operating Transfers to General Fund	<u>(4,607)</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>7,893</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Payments on Revenue Bonds	(8,725)
Interest Payments on Revenue Bonds	<u>(5,888)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(14,613)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>76</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>76</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,633)
CASH AT BEGINNING OF YEAR	<u>60,384</u>
CASH AT END OF YEAR	<u>\$ 57,751</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (49,037)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities--	
Depreciation	45,785
(Increase) Decrease in Accounts Receivable	(6,189)
Increase (Decrease) in Accounts Payable	12,776
Increase (Decrease) in Accrued Expenses	1
Increase (Decrease) in Customers' Deposits	<u>675</u>
Total Adjustments	<u>53,048</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 4,011</u>

See accountant's report.

REQUIRED SUPPLEMENTAL INFORMATION

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
--BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>	Budgetary	Budget
			Basis	Favorable
				(Unfavorable)
REVENUES				
Franchise Taxes	\$ 5,000	\$ 4,039	\$ 4,825	\$ 786
Licenses and Permits	900	900	2,270	1,370
State Supplemental Police Pay	6,000	6,000	6,000	0
Rent	200	200	350	150
Miscellaneous	50	0	1,500	1,500
Interest	<u>5</u>	<u>3</u>	<u>3</u>	<u>0</u>
TOTAL REVENUE	<u>12,155</u>	<u>11,142</u>	<u>14,948</u>	<u>3,806</u>
EXPENDITURES				
General Government				
Beautification Committee	250	250	0	250
Dues	125	125	125	0
Legal and Accounting	0	1,975	2,020	(45)
Insurance	0	2,205	0	2,205
Maintenance of Town Property	400	400	700	(300)
Miscellaneous	500	500	100	400
Office Supplies	250	250	98	152
Publications	200	200	5	195
Town Hall Expense	3,800	3,800	3,876	(76)
Travel	500	500	0	500
Police				
Auto Maintenance and Repairs	300	300	0	300
Insurance	860	885	879	6
Salaries	10,260	10,260	10,260	0
Supplies	50	50	0	50
Streets				
Street Lights	3,000	3,000	2,635	365
Park and Recreation				
Operations	100	100	0	100
Mowing Fees	250	250	0	250
Utilities	0	0	178	(178)
Capital Outlay	<u>0</u>	<u>700</u>	<u>0</u>	<u>700</u>
TOTAL EXPENDITURES	<u>20,845</u>	<u>25,750</u>	<u>20,876</u>	<u>4,874</u>
DEFICIENCY OF REVENUES				
UNDER EXPENDITURES				
	(8,690)	(14,608)	(5,928)	8,680
OTHER FINANCING SOURCES				
Operating Transfer In--Utility Fund	<u>7,260</u>	<u>7,260</u>	<u>4,607</u>	<u>(2,653)</u>
TOTAL OTHER FINANCING SOURCES	<u>7,260</u>	<u>7,260</u>	<u>4,607</u>	<u>(2,653)</u>
DEFICIENCY OF REVENUES AND				
OTHER SOURCES UNDER				
EXPENDITURES				
	(1,430)	(7,348)	(1,321)	6,027
FUND BALANCE - BEGINNING	<u>26,459</u>	<u>26,459</u>	<u>27,936</u>	<u>1,477</u>
FUND BALANCE - ENDING	<u>\$ 25,029</u>	<u>\$ 19,111</u>	<u>\$ 26,615</u>	<u>\$ 7,504</u>

See accountant's report.

SUPPLEMENTARY INFORMATION

VILLAGE OF DOWNSVILLE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE MAYOR
FOR THE YEAR ENDED DECEMBER 31, 2018

Mayor, Reggie Skains:

Purpose

Amount

There were no payments made to the Mayor.

See accountant's report.

OTHER

**VILLAGE OF DOWNSVILLE, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2018**

SECTION I FINANCIAL STATEMENT FINDINGS

FINDINGS

2018-1. Late Submission of Report. The Village's annual report was not submitted within six months of the close of the year, as required by state law. The person in the CPA firm primarily responsible for the report preparation had a personal family medical emergency in late June, 2019, which delayed the completion and submission of the report until after six months of year end. I recommend the CPA firm begin the work earlier next year, so that there will be sufficient time to complete the report in a timely manner, even if an unexpected emergency arises.

MANAGEMENT'S RESPONSES

The Village of Downsville provided the information requested by the CPA firm in a timely manner.

VILLAGE OF DOWNSVILLE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

SECTION I AGREED-UPON PROCEDURES REPORT

FINDINGS

CURRENT YEAR STATUS

No Findings.