

VILLAGE OF DRY PRONG, LOUISIANA

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018**



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

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**Rozier Harrington
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ACCOUNTANTS |

November 20, 2018

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, 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.

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, 2018, 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.

Village of Dry Prong
November 20, 2018

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 November 20, 2018 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, 2018

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, 2018.

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, 2018

- **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:

	June 30, 2018			
	Governmental Activities	Business-Type Activities	Total	June 30, 2017
<u>Assets:</u>				
Current and Other Assets	\$ 177,211	\$ 298,242	\$ 475,453	\$ 325,608
Internal Balances	331,253	(331,253)	----	----
Capital Assets	424,983	3,144,824	3,569,807	3,081,400
Total Assets	<u>933,447</u>	<u>3,111,813</u>	<u>4,045,260</u>	<u>3,407,008</u>
<u>Liabilities:</u>				
Current and Other Liabilities	41,702	291,987	333,689	94,707
Long-term Liabilities	24,000	134,754	158,754	201,617
Total Liabilities	<u>65,702</u>	<u>426,741</u>	<u>492,443</u>	<u>296,324</u>
<u>Net Position:</u>				
Invested in Capital Assets (Net)	375,983	2,991,156	3,367,139	2,949,132
Restricted	137,840	----	137,840	113,818
Unrestricted	353,922	(306,084)	47,838	47,734
Total Net Position	<u>\$ 867,745</u>	<u>\$ 2,685,072</u>	<u>\$ 3,552,817</u>	<u>\$ 3,110,684</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 (3.9%) 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, 2018

The remaining net position (1.3%), 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:

	For the Year Ended June 30, 2018			For the Year Ended June 30, 2017
	Govern- mental Activities	Business- Type Activities	Total	
<u>Revenues:</u>				
Program Revenue:				
Charges for Services	\$ 33,774	\$ 200,266	\$ 234,040	\$ 249,797
Operating Grants and Contributions	----	----	----	----
Capital Grants and Contributions	----	586,824	586,824	----
General Revenue:				
Property Taxes	13,001	----	13,001	13,062
Franchise Taxes	17,563	----	17,563	16,608
Sales Taxes	52,119	----	52,119	53,833
Occupational Licenses	34,480	----	34,480	35,020
Miscellaneous	8,467	17	8,484	10,951
Total Revenue	<u>159,404</u>	<u>787,107</u>	<u>946,511</u>	<u>379,811</u>
<u>Program Expenses:</u>				
General Government	134,352	----	134,352	131,041
Streets	31,559	----	31,559	31,559
Public Safety				
Police Department	45,744	----	45,744	41,512
Interest on Long Term Debt	2,920	----	2,920	3,840
Utilities	----	293,805	293,805	299,461
Total Expenses	<u>214,575</u>	<u>293,805</u>	<u>508,380</u>	<u>507,413</u>
Change in Net Position	(55,171)	493,302	438,131	(127,602)
Net Position Beginning	<u>922,916</u>	<u>2,191,770</u>	<u>3,114,686</u>	<u>3,238,286</u>
Net Position Ending	<u>\$ 867,745</u>	<u>\$ 2,685,072</u>	<u>\$ 3,552,817</u>	<u>\$ 3,110,684</u>

Governmental activities decreased the Village's net position by \$55,171. The decrease is attributable to decrease in tickets written in the current year.

Business-type activities increased the Village's net position by \$493,302. The increase is attributable to Capital Grant the Village received in the current year. 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, 2018

	<u>Current</u>	<u>Prior</u>
Change in Net Position	\$ 493,302	\$ (105,147)
Capital Grants and Contributions	(586,824)	----
Depreciation	<u>128,588</u>	<u>127,785</u>
 Change in Net Position Excluding Capital Grants, Contributions and Depreciation	 <u>\$ 35,066</u>	 <u>\$ 22,638</u>

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

For the year ended June 30, 2018, 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, 2018, 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, 2018

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 168,397	\$ 94,943	\$ 263,340
Receivables (net)	8,814	203,299	212,113
Internal balances	331,253	(331,253)	-
Land	51,883	41,369	93,252
Depreciable capital assets, net	<u>373,100</u>	<u>3,103,455</u>	<u>3,476,555</u>
Total assets	<u>933,447</u>	<u>3,111,813</u>	<u>4,045,260</u>
<u>LIABILITIES</u>			
Accounts payable	16,702	237,541	254,243
Accrued interest payable	-	2,071	2,071
Meter deposits	-	33,461	33,461
Liabilities payable from restricted assets			
Long-term debt			
Due within one year			
Capital lease obligation	-	5,008	5,008
Certificates of indebtedness	-	13,906	13,906
Revenue bonds	25,000	-	25,000
Due in more than one year			
Certificates of indebtedness	-	134,754	134,754
Revenue bonds	<u>24,000</u>	<u>-</u>	<u>24,000</u>
Total liabilities	<u>65,702</u>	<u>426,741</u>	<u>492,443</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	375,983	2,991,156	3,367,139
Restricted for:			
Debt service	61,026	-	61,026
Street improvements	76,814	-	76,814
Unrestricted	<u>353,922</u>	<u>(306,084)</u>	<u>47,838</u>
Total net position (deficit)	<u>\$ 867,745</u>	<u>\$ 2,685,072</u>	<u>\$ 3,552,817</u>

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

VILLAGE OF DRY PRONG

STATEMENT OF ACTIVITIES

Year Ended June 30, 2018

	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
<u>Governmental Activities:</u>							
General Government	\$ 134,352	\$ -	\$ -	\$ -	\$ (134,352)	\$ -	\$ (134,352)
Streets	31,559	-	-	-	(31,559)	-	(31,559)
Public Safety							
Law Enforcement	45,744	33,774	-	-	(11,970)	-	(11,970)
Interest on Long Term Debt	2,920	-	-	-	(2,920)	-	(2,920)
Total Governmental Activities	<u>214,575</u>	<u>33,774</u>	<u>-</u>	<u>-</u>	<u>(180,801)</u>	<u>-</u>	<u>(180,801)</u>
<u>Business-Type Activities:</u>							
Utility Service	<u>293,805</u>	<u>200,266</u>	<u>-</u>	<u>586,824</u>	<u>-</u>	<u>493,285</u>	<u>493,285</u>
Total Business-Type Activities	<u>293,805</u>	<u>200,266</u>	<u>-</u>	<u>586,824</u>	<u>-</u>	<u>493,285</u>	<u>493,285</u>
Total Primary Government	<u>\$ 508,380</u>	<u>\$ 234,040</u>	<u>\$ -</u>	<u>\$ 586,824</u>	<u>(180,801)</u>	<u>493,285</u>	<u>312,484</u>
<u>General Revenues:</u>							
Taxes:							
Ad Valorem					13,001	-	13,001
Franchise					17,563	-	17,563
Sales					52,119	-	52,119
Occupational Licenses					34,480	-	34,480
Miscellaneous					<u>8,467</u>	<u>17</u>	<u>8,484</u>
Total General Revenues					<u>125,630</u>	<u>17</u>	<u>125,647</u>
Change in Net Position					(55,171)	493,302	438,131
Net Position Beginning					<u>922,916</u>	<u>2,191,770</u>	<u>3,114,686</u>
Net Position Ending					<u>\$ 867,745</u>	<u>\$ 2,685,072</u>	<u>\$ 3,552,817</u>

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

VILLAGE OF DRY PRONG

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2018

	General	Sales Tax	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 39,341	\$ 68,030	\$ 61,026	\$ -	\$ 168,397
Accounts receivable	30	8,784	-	-	8,814
Due from other funds	331,253	-	-	-	331,253
Total assets	\$ 370,624	\$ 76,814	\$ 61,026	\$ -	\$ 508,464
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ 16,702	\$ -	\$ -	\$ -	\$ 16,702
Delayed revenues	-	-	-	-	-
Total liabilities	16,702	-	-	-	16,702
Fund Balance					
Nonspendable:					
Long Term advances to other funds	331,253	-	-	-	331,253
Restricted For:					
Street improvements	-	76,814	-	-	76,814
Debt service	-	-	61,026	-	61,026
Unassigned	22,669	-	-	-	22,669
Total Fund Balances	353,922	76,814	61,026	-	491,762
Total Liabilities and Fund Balance	\$ 370,624	\$ 76,814	\$ 61,026	\$ -	\$ 508,464

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

Total Fund Balances - Governmental Funds	\$ 491,762
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.	(49,000)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	424,983
Net Position of Governmental Activities	\$ 867,745

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, 2018

	General	Sales Tax	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Ad valorem	\$ 13,001	\$ -	\$ -	\$ -	\$ 13,001
Franchise	17,563	-	-	-	17,563
Sales tax	-	52,119	-	-	52,119
Occupational licenses	34,480	-	-	-	34,480
Intergovernmental	-	-	-	-	-
Fines and court cost	33,774	-	-	-	33,774
Miscellaneous	8,408	-	59	-	8,467
Total revenues	107,226	52,119	59	-	159,404
Expenditures:					
Current					
General government	121,860	-	-	-	121,860
Public safety - law enforcement	35,351	-	-	-	35,351
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	24,000	-	24,000
Interest	-	1,236	2,920	-	4,156
Total expenditures	157,211	1,236	26,920	-	185,367
Excess (deficiency) of revenues over expenditures	(49,985)	50,883	(26,861)	-	(25,963)
Other sources (uses)					
Operating transfers in (out)	-	(34,006)	34,006	-	-
Net Change in fund balances	(49,985)	16,877	7,145	-	(25,963)
Fund balance - beginning of year	403,907	59,937	53,881	-	517,725
Fund balance - end of year	\$ 353,922	\$ 76,814	\$ 61,026	\$ -	\$ 491,762

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	\$ (25,963)
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	24,000
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.	(53,208)
Change in net position of governmental activities	\$ (55,171)

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

VILLAGE OF DRY PRONG

Statement of Net Position

Proprietary Funds

June 30, 2018

	Business-Type Activities
	<u>Utility Enterprise Fund</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and cash equivalents	\$ 94,943
Receivables (net)	203,299
Other assets	-
Total current assets	<u>298,242</u>
Noncurrent Assets:	
Capital Assets:	
Land	41,369
Depreciable capital assets, net	<u>3,103,455</u>
Total noncurrent assets	<u>3,144,824</u>
Total assets	<u>3,443,066</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Payables	237,541
Accrued Interest	2,071
Due to other funds	331,253
Meter deposits	33,461
Current portion of certificate of indebtedness	13,906
Current portion of capital lease obligation	<u>5,008</u>
Total current liabilities	623,240
Noncurrent Liabilities:	
Certificate of indebtedness	134,754
Capital lease obligation	-
Total liabilities	<u>757,994</u>
<u>NET POSITION</u>	
Invested in capital assets, net of related debt	2,991,156
Unrestricted	<u>(306,084)</u>
Total net position (deficit)	<u>\$ 2,685,072</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, 2018

	Business-Type Activities
	<u>Utility Enterprise Fund</u>
<u>Operating revenues:</u>	
Charges for services	\$ 200,266
Other income	-
Total Operating Revenues	<u>200,266</u>
<u>Operating expenses:</u>	
Salaries and payroll taxes	68,759
Chemicals and supplies	22,175
Depreciation	128,588
Insurance	5,460
Utilities	27,183
Legal and professional	3,602
Repairs and maintenance	26,340
Miscellaneous	5,109
Total operating expenses	<u>287,216</u>
Operating income (loss)	<u>(86,950)</u>
<u>Non-operating revenues (expenses):</u>	
Grant proceeds	586,824
Interest income	17
Interest expense	(6,589)
Total Non-operating	<u>580,252</u>
Income (loss) before capital contributions and transfers	493,302
Capital Contributions	<u>-</u>
Change in net position	493,302
Total net position - beginning	<u>2,191,770</u>
Total net position - ending	<u>\$ 2,685,072</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, 2018

	<u>Business-Type Activities</u> <u>Utility Enterprise Fund</u>
<u>Cash flow from operating activities:</u>	
Cash received from customers	\$ 202,018
Cash payments to suppliers of goods and services	(89,869)
Cash payments to employees for services	(68,759)
Net cash provided (used) by operating activities	<u>43,390</u>
<u>Cash flows from non-capital financing activities:</u>	
Increase (Decrease) cash advances due to other funds	(23,880)
Grant Proceeds	-
Net cash provided (used) by non-capital financing activities	<u>(23,880)</u>
<u>Cash flows from capital and related financing activities:</u>	
Payments for acquisition of capital assets	(428,801)
Proceeds from debt instruments	-
Grant Proceeds Received	408,006
Principle paid on capital lease obligation	(18,228)
Interest paid on debt instruments	(10,217)
Net cash provided (used) by capital and related financing activities	<u>(49,240)</u>
<u>Cash flows from investing activities:</u>	
Interest and other income	17
Net cash provided (used) by investing activities	<u>17</u>
Net increase (decrease) in cash	(29,713)
Beginning cash balance	124,656
Ending cash balance	<u>\$ 94,943</u>
<u>Reconciliation of operating income (loss) to net cash</u>	
Operating income (loss)	\$ (86,950)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	128,588
(Increase) decrease in accounts receivable	116
(Increase) decrease in other assets	-
(Decrease) increase in accounts payable	-
(Decrease) increase in meter deposits	1,636
Net cash provided (used) by operating activities	<u>\$ 43,390</u>

Supplemental disclosures of cash flow information:

For the year ended June 30, 2018, 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, 2018

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, 2018

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, 2018

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:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
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, 2018

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, 2018

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, 2018, the Village has \$263,240 in deposits (\$277,393 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 \$404,961.

NOTE 3 - RECEIVABLES

Receivables at June 30, 2018, are summarized as follows:

	<u>Governmental Activities</u>	<u>Business- Type</u>	<u>Total</u>
Sales Tax	\$ 8,814	\$ ----	\$ 8,814
Utility Accounts	----	203,299	203,299
Total	\$ 8,814	\$ 203,299	\$ 212,113

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, 2018

	<u>Governmental Activities</u>	<u>Business- Type</u>	<u>Total</u>
Revenue Bonds	\$ 49,000	\$ ----	\$ 49,000
Capital Lease Obligations	----	5,008	5,008
Certificates of Indebtedness	----	148,660	148,660
Total	\$ 49,000	\$ 153,668	\$ 202,668

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, 2017	\$ 73,000
New issues	----
Retirements	(24,000)
Bonds payable, June 30, 2018	49,000
Due within one year	24,000
Due in more than one year	\$ 25,000

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	\$ 49,000
--	-----------

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

<u>Year Ended June 30th</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	24,000	1,960
2020	25,000	1,000
Total	\$ 49,000	\$ 2,960

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

Certificates of Indebtedness

Revenue bonds by fund type are presented as follows:

	<u>Business-Type Activities</u>
Certificates payable, June 30, 2017	\$ 162,000
New issues	----
Retirements	13,340
Certificates payable, June 30, 2018	148,660
Due within one year	13,906
Due in more than one year	\$ 134,754

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	\$ 148,660
--	------------

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

<u>Year Ended June 30th</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 13,906	\$ 6,023
2020	14,497	5,419
2021	15,100	4,790
2022	15,755	4,134
2023	16,425	3,451
2024 - 2026	72,977	6,364
Total	\$ 148,660	\$ 30,181

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, 2018

<u>Year Ended June 30th</u>	<u>Business-Type Activities</u>
2019	\$ 5,070
Total Minimum Lease Payments	5,070
Amounts Representing Interest	62
Present Value of Future Minimum Lease Payments	5,008
Current Portion of Future Minimum Lease Payments	5,008
Long Term Portion of Future Minimum Lease Payments	\$ ----

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, 2018, 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, 2018 consists of the following:

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental Activities</u>				
Land	\$ 47,883	\$ 4,000	\$ ----	\$ 51,883
<u>Capital Assets Being Depreciated:</u>				
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	492,276	53,206	----	545,482
Total Net of Depreciation	\$ 426,306	\$ (53,206)	----	\$ 373,100
<u>Business-Type Activities</u>				
Land	\$ 41,369	\$ ----	\$ ----	\$ 41,369
<u>Capital Assets Being Depreciated:</u>				
Water Distribution System	\$ 2,216,296	\$ 715,573	\$ ----	\$ 2,931,869
Wastewater System	2,510,967	----	----	2,510,967
Equipment	290,982	----	----	290,982
Construction in Progress	49,372	----	(49,372)	----
Total	5,067,617	715,573	(49,372)	5,733,818
Less Accumulated Depreciation	2,501,775	128,588	----	2,630,363
Total Net of Depreciation	\$ 2,565,842	\$ 586,985	\$ (49,372)	\$ 3,103,455

Depreciation expense reported by various functions is presented as follows:

<u>Governmental Activities:</u>	
General Government	\$ 13,222
Streets	31,559
Police	8,424
Total Depreciation – Governmental Activities	\$ 53,205
<u>Business-Type Activities:</u>	
Utility Services	\$ 128,588

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, 2018

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	\$ 331,253	\$ ----
Utility Fund	----	331,253
Government-Wide Totals	<u>\$ 331,253</u>	<u>\$ 331,253</u>

VILLAGE OF DRY PRONG

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes:				
Ad valorem	\$ 13,000	\$ 13,000	\$ 13,001	\$ 1
Franchise	20,000	20,000	17,563	(2,437)
Occupational licenses	35,000	35,000	34,480	(520)
Intergovernmental	-	-	-	-
Fines and Court Cost	50,000	50,000	33,774	(16,226)
Miscellaneous	8,000	8,000	8,408	408
Total revenues	126,000	126,000	107,226	(18,774)
<u>General Government:</u>				
Salary - mayor and aldermen	6,000	6,000	6,000	-
Salaries - other	26,347	26,347	24,784	1,563
Animal control	5,400	5,400	5,400	-
Community center	3,000	3,000	941	2,059
Contract Labor	1,000	1,000	1,252	(252)
Dues and publications	1,300	1,300	1,510	(210)
Equipment purchases	6,000	6,000	1,020	4,980
Insurance	15,797	15,797	14,035	1,762
Legal and professional	10,000	10,000	14,554	(4,554)
Library	3,000	3,000	10,227	(7,227)
Office supplies	5,000	5,000	4,261	739
Payroll taxes and benefits	6,900	6,900	2,210	4,690
Printing and advertising	1,300	1,300	721	579
Repairs and maintenance	1,500	1,500	1,890	(390)
Streets and parks	15,680	15,680	16,872	(1,192)
Traffic ticket assessments	3,000	3,000	1,969	1,031
Utilities and telephone	10,000	10,000	11,928	(1,928)
Miscellaneous	3,000	3,000	2,286	714
Total general government	124,224	124,224	121,860	2,364

Continued...

VILLAGE OF DRY PRONG

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Public Safety:</u>				
Police department				
Salaries and payroll taxes	28,700	28,700	29,065	(365)
Fuel	2,000	2,000	2,806	(806)
Parts and supplies	2,000	2,000	3,460	(1,460)
Miscellaneous	-	-	20	(20)
Total police department	32,700	32,700	35,351	(2,651)
Debt Service	20,000	20,000	-	20,000
Total expenditures	176,924	176,924	157,211	19,713
Excess (deficiency) of revenues over expenditures	(50,924)	(50,924)	(49,985)	939
Other sources (uses)				
Operating transfers in (out)	20,000	20,000	-	(20,000)
Net Change in Fund Balances	(30,924)	(30,924)	(49,985)	(19,061)
Fund balance - beginning of year	422,685	422,685	403,907	(18,778)
Fund balance - end of year	\$ 391,761	\$ 391,761	\$ 353,922	\$ (37,839)

VILLAGE OF DRY PRONG

Sales Tax Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues:</u>				
Sales tax	\$ 55,000	\$ 55,000	\$ 52,119	\$ (2,881)
Total revenues	55,000	55,000	52,119	(2,881)
<u>Expenditures:</u>				
Public Works	1,500	1,500	1,236	264
Total expenditures	1,500	1,500	1,236	264
Excess (deficiency) of revenues over expenditures	53,500	53,500	50,883	(2,617)
Other sources (uses)				
Operating transfers in (out)	(34,006)	(34,006)	(34,006)	-
Net Change in fund balances	19,494	19,494	16,877	(2,617)
Fund balance - beginning of year	51,140	51,140	59,937	8,797
Fund balance - end of year	\$ 70,634	\$ 70,634	\$ 76,814	\$ 6,180

VILLAGE OF DRY PRONG

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer For the year ended June 30, 2018

Agency Head (Mayor) - Shane Davis

Purpose:	
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, 2018

Shane Davis, Mayor	\$ 2,400
Della Barbee, Alderman	1,200
Billy Chandler, Alderman	1,200
Sandra Garlington, Alderman	<u>1,200</u>
 Total	 <u><u>\$ 6,000</u></u>



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

November 20, 2018

**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, 2018, 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 November 20, 2018.

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 RESPONSES

For the Year Ended June 30, 2018

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, 2018 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.

VILLAGE OF DRY PRONG

MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2018

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
SECTION III MANAGEMENT LETTER	
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, 2018

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

APPENDIX A
Statewide Agreed-Upon Procedures



**Rozier Harrington
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Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Village of Dry Prong and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Village of Dry Prong (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 01, 2017 through June 30, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation 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 this 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.

The procedures and associated results are presented in the accompanying Schedule of Procedures, Results and Managements' Response.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Rozier, Harrington and McKay
Certified Public Accountants
Alexandria, Louisiana
November 20, 2018

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Village of Dry Prong

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Written Policies and Procedures		
Agreed-Upon Procedure	Results	Managements' Response
<p>1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories.</p> <ul style="list-style-type: none">• Budgeting• Purchasing• Disbursements• Receipts• Payroll/Personnel• Contracting• Credit Cards• Travel and expense reimbursements• Ethics• Debt	<p>The Town does not have any written procedures regarding the following functions:</p> <ul style="list-style-type: none">• Budgeting• Purchasing• Disbursements• Receipts• Payroll/Personnel• Contracting• Credit Cards• Travel and expense reimbursements• Ethics• Debt.	<p>Due to the limited size of the Town's administrative staff, the relatively small transactions volume and active involvement from elected officials responsible for oversight, formal written policies are not considered necessary. Despite the absence of written details, personnel clearly understand their duties and responsibilities.</p>

Village of Dry Prong

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>2 Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:</p> <p>a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.</p> <p>b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. <i>Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.</i></p>	<p>RHM has reviewed the board and committee minutes for the fiscal period.</p> <p>The governing board meet monthly with a quorum.</p> <p>Budget-to-Actual comparisons are not included as part of the Boards monthly report.</p>	<p><i>The results did not contain any critical comments.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The Town will begin to include budget-to-actual comparisons as part of the Boards monthly report.</i></p>

Village of Dry Prong

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.	There were no deficient fund balances in the previous report.	<i>The results did not include findings or criticisms.</i>

Village of Dry Prong

Statewide Agreed-Up Procedures

Schedule of Procedures, Results and Managements' Response

Bank Reconciliations		
Agreed-Up Procedure	Results	Managements' Response
<p>3 Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:</p> <p>a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);</p> <p>b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and</p> <p>c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.</p>	<p>RHM has obtained a listing of the Village's bank account and selected five for testing. The month of June was randomly selected.</p> <p>There is evidence that the bank reconciliations were prepared within 2 months of the related statement closing date.</p> <p>There is no evidence that a member of management reviewed each bank reconciliation.</p> <p>There is no documentation reflecting researching reconciling items that have been outstanding for more than 12 months.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The Village plans to include the reconciliation in the boards monthly packet for it to be reviewed in writing from a board member.</i></p> <p><i>Although there is no documentation it is general practice for the Village to research checks that are more than six months outstanding.</i></p>

Village of Dry Prong

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections		
Agreed-Upon Procedure	Results	Managements' Response
b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.	The administrative staff consist of a few people. As a result, opportunities for segregation are limited.	<i>An absence of resources prevents opportunities for segregation but procedures are in place to mitigate exposure resulting from these limitations.</i>
c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.	The administrative staff consist of a few people. As a result, opportunities for segregation are limited.	<i>An absence of resources prevents opportunities for segregation but procedures are in place to mitigate exposure resulting from these limitations.</i>
d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.	The administrative staff consist of a few people. As a result, opportunities for segregation are limited.	<i>An absence of resources prevents opportunities for segregation but procedures are in place to mitigate exposure resulting from these limitations.</i>
6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	The administrative staff is covered by a bond policy that protects against theft.	<i>The results did not include findings or criticisms.</i>
7 Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day) . Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as	The days of September 27, and March 7 were randomly selected.	<i>The results did not include findings or criticisms.</i>

Village of Dry Prong

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections		
Agreed-Upon Procedure	Results	Managements' Response
<p>a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:</p> <p>a. Observe that receipts are sequentially pre-numbered.</p> <p>b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.</p> <p>c. Trace the deposit slip total to the actual deposit per the bank statement.</p> <p>d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).</p> <p>e. Trace the actual deposit per the bank statement to the general ledger.</p>	<p>The Town does keep sequentially numbered receipts.</p> <p>Receipt totals match the total on deposit slips.</p> <p>Deposit slip totals match the images on the bank statement.</p> <p>The Town Clerk represented they do make deposits daily.</p> <p>The amount per bank statement is recorded in the general ledger.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Village of Dry Prong

Statewide Agreed-Up Procedures

Schedule of Procedures, Results and Managements' Response

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Up Procedure	Results	Managements' Response
<p>8 Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).</p>	<p>All disbursements are processed at the Village's facility on Russell Hataway Drive.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>9 For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:</p>		
<p>a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.</p>	<p>Request for purchases are made to the Town Clerk who gets approval from the mayor. Once approved the purchase is made by the initial employee who made the request.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>b) At least two employees are involved in processing and approving payments to vendors.</p>	<p>Checks require dual signatures.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.</p>	<p>The bookkeeper adds to the vendor files does not process payments.</p>	<p><i>The results did not include findings or criticisms</i></p>
<p>d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.</p>	<p>Mailing is the responsibility of an employee with signature authority.</p>	<p><i>The results did not include findings or criticisms</i></p>

Village of Dry Prong

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
<p>10 For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:</p> <p>a. Observe that the disbursement matched the related original invoice/billing statement.</p> <p>b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.</p>	<p>Disbursements selected are supported by documentation.</p> <p>Segregation of duties was observed on disbursement documentation.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

Village of Dry Prong

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
13 Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).	Statements did have supporting documentation or written documentation of business / public purpose.	<i>The results did not include findings or criticisms.</i>

Village of Dry Prong

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
<p>14 Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:</p> <p>a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).</p> <p>b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).</p> <p>d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>RHM was given access to the general ledger system that the Town Clerk representation that it is complete.</p> <p>The reimbursement that used a per diem agrees to the rates established by the State of Louisiana.</p> <p>No such items noted.</p> <p>The reimbursements are supported by documentation of the business / public purpose. The reimbursement was not for a meal.</p> <p>The reimbursement check was signed by two people that did not receive the reimbursement.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Village of Dry Prong

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Contracts		
Agreed-Upon Procedure	Results	Managements' Response
<p>15 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:</p> <p>a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.</p> <p>b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).</p> <p>c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.</p> <p>d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.</p>	<p>An active vendor list was produced by the town's general ledger software and the Town Clerk represented that the listing was complete.</p> <p>None of the contracts randomly selected were required by law to be bid in accordance with the Louisiana Public Bid Law.</p> <p>Examination of the minutes revealed that none of the randomly selected contracts were approved by the Board.</p> <p>None of the contracts randomly selected was amended.</p> <p>The payments selected for the five contracts agree to contract terms with the invoice and related payment.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The board does review contracts throughout the year.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

Village of Dry Prong

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
<p>16 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.</p>	<p>The Town Clerk provided a listing of all employees and gave representation the listing is complete. Five employees were randomly selected.</p>	<p><i>The results did not include findings or criticisms</i></p>
<p>17 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:</p> <p>a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).</p> <p>b. Observe that supervisors approved the attendance and leave of the selected employees/officials.</p> <p>c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p>	<p>The Village does not require its employees to document their daily attendance.</p> <p>There is no documentation that a supervisor approved the attendance and leave of the employees.</p> <p>There is no evidence of the employees leave accrued or taken being reflected on the Village's cumulative leave records.</p>	<p><i>Due to the size of the Village's workforce attendance records are not required. It would easily be noticed if an employee did not report to work. The Village allows employees to take leave based on the needs of the Village.</i></p> <p><i>Due to the size of the Village's workforce attendance records are not required. It would easily be noticed if an employee did not report to work. The Village allows employees to take leave based on the needs of the Village.</i></p> <p><i>Due to the size of the Village's workforce attendance records are not required. It would easily be noticed if an employee did not report to work. The Village allows employees to take leave based on the needs of the Village.</i></p>
<p>18 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation</p>	<p>Per representation of the Town Clerk there have been no terminations in the fiscal period.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Village of Dry Prong

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
<p>of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.</p> <p>19 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.</p>	<p>Management has represented that payments and filings have ben completed on time.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Village of Dry Prong

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Ethics		
Agreed-Upon Procedure	Results	Managements' Response
<p>20 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:</p> <p>a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.</p> <p>b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.</p>	<p>Documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.</p> <p>The Village has not adopted a written ethics policy.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>Due to the size of our workforce, standards of ethical behavior can be clearly communicated without adopting written policies or requiring formal acknowledgement.</i></p>

Village of Dry Prong

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Debt Service		
Agreed-Upon Procedure	Results	Managements' Response
21 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	The Town Clerk represented that the Village did not enter into any new bonds or notes during the fiscal period. The State Bond Commission approval does not apply.	<i>The results did not include findings or criticisms.</i>
22 Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.	Management provided a listing of all bonds/notes outstanding at the end of the fiscal period and representation that the listing is complete. The Sales Tax Bond was randomly selected. Supporting documentation regarding the debt covenants was inspected. The Village made the required payments and maintained the reserve balance for the debt covenants in the fiscal year.	<i>The results did not include findings or criticisms.</i>

Village of Dry Prong

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Other		
Agreed-Upon Procedure	Results	Managements' Response
23 Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	There was no such items noted.	<i>The results did not include findings or criticisms.</i>
24 Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.	The poster was noticed in the lobby of Town Hall.	<i>The results did not include findings or criticisms.</i>