

Village of Saline
Saline, Louisiana

Basic Financial Statements

For the Year Ended June 30, 2018

Village of Saline
 Basic Financial Statements
 For the Year Ended June 30, 2018

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WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's

Independent Accountants' Review Report

Board of Commissioners
Village of Saline
Saline, Louisiana

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

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

Accountant's Conclusion

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

Other Matters

Supplementary information

The accompanying schedule of compensation, benefits, and other payments to the agency head, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting

principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following supplementary information on page 24 be presented to supplement the basic financial statements.

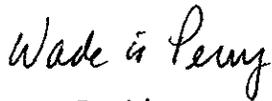
Budgetary Comparison Schedule

Such information, although not a required part of the basic financial statements, is required by the Government 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 historic context. The information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United State of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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 content.

Report on Agreed-Upon Procedures

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated September 19, 2018, on the results of the agreed-upon procedures.



Ruston, Louisiana
September 19, 2018

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

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and cash investments	\$42,604	\$43,974	\$86,578
Receivables	7,270	9,806	17,076
Interfunds	8,984	(8,984)	0
Restricted cash	0	2,125	2,125
Capital assets (net)	11,395	1,272,762	1,284,157
TOTAL ASSETS	\$70,253	\$1,319,683	\$1,389,936
Deferred outflows of resources	0	0	0
LIABILITIES			
Accounts, salaries, and other payables	\$1,436	\$4,219	\$5,655
Noncurrent liabilities	0	2,125	2,125
TOTAL LIABILITIES	1,436	6,344	7,780
Deferred inflows of resources	0	0	0
NET POSITION			
Invested in capital assets, net of related debt	11,395	1,272,762	1,284,157
Unrestricted	57,422	40,577	97,999
TOTAL NET POSITION	\$68,817	\$1,313,339	\$1,382,156

The accompanying notes are an integral part of this statement.

Village of Saline, Louisiana
Statement of Activities
Year Ended June 30, 2018

	Program Revenues			Net (Expenses) Revenues and Changes of Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$55,574				(\$55,574)		(\$55,574)
Public safety	2,885	\$10,290			7,405		7,405
Total governmental activities	58,459	10,290	0	0	(48,169)	0	(48,169)
Business-type activities							
Water utilities	143,397	90,923				(\$52,474)	(52,474)
Total business-type activities	143,397	90,923	0	0	0	(52,474)	(52,474)
Total primary government	\$201,856	\$101,213	\$0	\$0	(\$48,169)	(\$52,474)	(\$100,643)
General revenues:							
Ad valorem taxes					\$5,195		\$5,195
Sales taxes					24,521		24,521
Transfers In/Out					0		0
Investment earnings					2		2
Franchise fees					6,070		6,070
Other revenues					19,111		19,111
Total general revenues and transfers					54,899	0	54,899
Change in Net Position					6,730	(52,474)	(45,744)
Net Position - beginning					62,087	1,365,813	1,427,900
Net Position - ending					\$68,817	\$1,313,339	\$1,382,156

The accompanying notes are an integral part of this statement.

Village of Saline, Louisiana
 Balance Sheet, Governmental Funds
 June 30, 2018

	ASSETS	<u>General Fund</u>
Cash and equivalents		\$42,604
Receivables		7,270
<i>Due from other funds</i>		<u>8,984</u>
TOTAL ASSETS		<u>\$58,858</u>
	LIABILITIES AND FUND BALANCES	
Liabilities:		
Accounts, salaries, and other payables		\$1,436
Due to other funds		<u>0</u>
Total liabilities		1,436
Fund balance - unassigned		<u>57,422</u>
TOTAL LIABILITIES AND FUND BALANCES		<u>\$58,858</u>

The accompanying notes are an integral part of this statement.

Village of Saline, Louisiana
Reconciliation of The Governmental Funds Balance Sheet
to The Government-Wide Financial Statement of Net Position
June 30, 2018

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

Fund balances, Total governmental funds (Statement C)		\$57,422
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	\$19,750	
Less accumulated depreciation	<u>(8,355)</u>	<u>11,395</u>
Net Position of Governmental Activities (Statement A)		<u>\$68,817</u>

The accompanying notes are an integral part of this statement.

Village of Saline, Louisiana
 Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Governmental Funds
 For the Year Ended June 30, 2018

	<u>General Fund</u>
REVENUES	
Taxes:	
<i>Ad valorem</i>	\$5,195
Sales	24,521
Franchise fees	6,070
Interest income	2
Insurance taxes	17,421
Ticket income	10,290
Other revenues	1,690
Total Revenues	<u>65,189</u>
EXPENDITURES	
General government	55,096
Public safety	2,885
Capital outlay	0
Total Expenditures	<u>57,981</u>
Excess (Deficiency) of Revenues over (under) Expenditures	7,208
OTHER FINANCING SOURCES (USES)	
Transfers in	0
Transfers out	0
Total Other Financing Sources (Uses)	<u>0</u>
Net Change in Fund Balance	7,208
Fund Balance – beginning	50,214
Fund Balance – ending	<u>\$57,422</u>

The accompanying notes are an integral part of this statement.

Village of Saline, 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 June 30, 2018

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

Net Change in Fund Balances, Total governmental funds (Statement E)	\$7,208
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlays (\$0) exceeds depreciation (\$478)	<u>(478)</u>
Change in Net Position of Governmental Activities, Statement B	<u>\$6,730</u>

The accompanying notes are an integral part of this statement.

Village of Saline, Louisiana
Statement of Net Position, Proprietary Funds
June 30, 2018

	<u>Business-Type Activities - Enterprise Fund</u>
ASSETS	
Current assets:	
Cash and cash investments	\$43,974
Receivables	9,806
Total current assets	<u>53,780</u>
Restricted assets:	
Cash and cash investments	2,125
Non-current assets:	
Capital assets (net of accumulated depreciation)	1,272,762
Total Non-current assets	<u>1,272,762</u>
TOTAL ASSETS	<u><u>\$1,328,667</u></u>
LIABILITIES	
Current Liabilities:	
Accounts, salaries, and other payables	\$4,219
Due to other funds	8,984
Total current liabilities	<u>13,203</u>
Noncurrent liabilities	2,125
Total liabilities	<u>15,328</u>
NET POSITION	
Invested in capital assets, net of related debt	1,272,762
Unrestricted	40,577
TOTAL NET POSITION	<u><u>\$1,313,339</u></u>

The accompanying notes are an integral part of this statement.

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

	<u>Business-Type Activities - Enterprise Fund</u>
Operating Revenues	
Charges for services:	
Water sales	\$90,923
Total Operating Revenues	<u>90,923</u>
Operating Expenses	
Cost of sales and services	82,338
Administration	5,244
Depreciation	55,815
Total Operating Expenses	<u>143,397</u>
Operating income (loss)	(52,474)
Nonoperating revenue (expenses)	
Interest income	0
Interest expense	0
Capital Grant	0
Total Nonoperating Revenue (Expenses)	<u>0</u>
Income before contributions and transfers	(52,474)
Transfers in	<u>0</u>
Change in Net Position	(52,474)
Total Net Position - Beginning	<u>1,365,813</u>
Total Net Position - Ending	<u>\$1,313,339</u>

The accompanying notes are an integral part of this statement.

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

Cash Flows from Operating Activities	
Receipts from customers and users	\$87,881
Receipts from other funds	0
Payments to suppliers	(64,347)
Payments to employees	(7,342)
Payments to other funds	(8,021)
Net Cash Provided by Operating Activities	<u>8,171</u>
Cash Flows from Noncapital Financing Activities	
Transfer from other funds (net)	0
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>
Cash Flows from Capital and Related Financing Activities	
Purchases of capital assets	0
Principal paid on capital debt	0
Interest paid on capital debt	0
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>0</u>
Cash Flows from Investing Activities	
Interest and dividends received	0
Net Cash Provided by Investing Activities	<u>0</u>
Net Increase in Cash and equivalents	8,171
Cash and equivalents, Beginning of Year	<u>37,928</u>
Cash and equivalents, End of Year	<u>\$46,099</u>
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities	
Operating income	(\$52,474)
Depreciation expense	55,815
(Increase) decrease in accounts receivable	(3,042)
Increase (decrease) in customer deposits	1,100
Increase (decrease) in interfunds	8,021
Increase (decrease) in accounts payable	(1,249)
Net Cash Provided by Operating Activities	<u>\$8,171</u>
Reconciliation of total cash and cash investments:	
Current assets - cash and cash investments	\$43,974
Restricted assets - cash and cash investments	2,125
Total cash and cash investments	<u>\$46,099</u>

The accompanying notes are an integral part of this statement.

Village of Saline
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

INTRODUCTION

Village of Saline (the Village), Louisiana was incorporated on October 3, 1905, under the provisions of the Lawrason Act. (Louisiana Revised Statutes 33:321-463) The Village operates under a Mayor-Board of Aldermen form of government. Members of the board are all elected and serve a four year term.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Village have been prepared in conformity with U.S. generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June, 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Village's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Village's activities, including infrastructure (if any).
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of Net Position and the statement of changes in Net Position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges

Village of Saline
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charge to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING & FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivables due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Village of Saline
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Village reports the following major proprietary funds:

The Utility fund is used to account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, but not limited to, administration, operations, maintenance, financing, and related debt service and billing.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Principal operating revenues of the proprietary funds include water and sewer services to the residents of the Village. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Village of Saline
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

C. DEPOSITS & INVESTMENTS

The Village's cash and cash equivalents are considered to be demand deposits, interest-bearing demand deposits, and investments with original maturities of three months or less from the date of acquisition. State law and the Village's investment policy allow the Village to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and *mutual funds consisting solely of government backed securities.*

D. RECEIVABLES & PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectives. The Village calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis.

E. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$600 or more for capitalizing capital assets.

Capital assets and related expenses are recorded in the Statement of Net Position and Statement of Activities, respectively, but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method.

Village of Saline
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

F. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Statements A and B are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Village's operations.

The amounts reflected in the General Fund of Statements A and B use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. *The Village considers all revenues available if they are collected within 60 days after the fiscal year end.* Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January through the tax sale of the ensuing year. Interest income on interest bearing demand deposits is recorded at the end of the month when credited by the bank. Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Based on the above criteria, ad valorem taxes and state revenue sharing have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for compensated absences, which are recognized when paid.

Village of Saline
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Village as a whole. These statements include all the financial activities of the Village. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Reconciliation

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and Statement of Net Position (Statement A) are as follows:

Net change in fund balance	\$7,208
Capital outlay recorded as expenditures	0
Depreciation expense	<u>(478)</u>
Change in Net Position	<u>\$6,730</u>

G. CASH AND CASH EQUIVALENTS

Under state law, the Village may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Village may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At June 30, 2018, the Village has cash and cash equivalents (book balances) totaling \$88,703, as follows:

Demand deposits	\$88,653
Petty cash	<u>50</u>
Total	<u>\$88,703</u>

These deposits are stated at cost, which approximates market. These deposits are secured from risk by \$88,703 of federal deposit insurance and \$0 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

Village of Saline
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

H. RISK MANAGEMENT

The Village is exposed to various risk of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Village maintains commercial insurance policies covering: property and commercial general liability insurance, crime, and inland marine. Also, the Village maintains director and officer liability, worker's compensation, a mobile home policy, and employers liability insurance. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amount.

I. FUND EQUITY

In the government wide statements, net position is displayed in three components:

- a. Net invested in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

Proprietary fund equity is classified in the same manner as in the government-wide statements. In the fund financial statements, governmental fund equity is classified as fund balance.

The Village adopted GASB 54 in the year ended December 31, 2012. As such, fund balances of the governmental funds are classified as follow:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors contributors, or laws or regulations of other governments.

Committed - amounts constrained to specific purpose by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint.

Village of Saline
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

Assigned - amounts the government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned - all other spendable amounts.

J. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

2. LEVIED TAXES

The Village has an authorized tax millage of 8.11 mills which is restricted by tax proposition, to operation and maintenance of the Village. For the year ended June 30, 2018, the Village levied 7.99 mills as a result of reassessments of taxable property as required by Article 7, Section 18 of the Louisiana Constitution of 1974.

The following are the principal taxpayers for the village and their 2018 assessed valuation (amounts expressed in thousands):

Taxpayer	Type of business	Assessed Valuation	% of Total Assessed Valuation
Saline Branch - Sabine State Bank	financial institution	\$62,578	9.76%
Centerpoint energy	utility	39,100	6.10%
Total		<u>\$101,678</u>	<u>15.86%</u>

3. RECEIVABLES

The receivables of \$17,076 at June 30, 2018 consist of sales taxes for \$2,568, franchise taxes for \$1,192, insurance taxes for \$2,861 and tickets for \$648 in the General fund, and accounts receivable-trade of \$9,806 in the Proprietary fund.

4. CHANGES IN GENERAL FIXED ASSETS

The following schedule presents changes in capital assets for the year ended June 30, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$4,500			\$4,500
Total capital assets not being depreciated	<u>4,500</u>	<u>0</u>	<u>0</u>	<u>4,500</u>

Village of Saline
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Buildings and other improvements	15,250			15,250
Total capital assets being depreciated	<u>15,250</u>	<u>0</u>	<u>0</u>	<u>15,250</u>
Less:				
accumulated depreciation	7,877	\$478		8,355
Total capital assets being depreciated, net	<u>\$11,873</u>	<u>(\$478)</u>	<u>\$0</u>	<u>\$11,395</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Proprietary activities:				
Capital assets, not being depreciated:				
Construction in progress	\$0			\$0
Land	0			0
Total capital assets not being depreciated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital assets being depreciated:				
Improvements	428,723			428,723
Distribution system	1,803,886			1,803,886
Total capital assets being depreciated	<u>2,232,609</u>	<u>0</u>	<u>0</u>	<u>2,232,609</u>
Less:				
accumulated depreciation	904,031	\$55,813		959,844
Total capital assets being depreciated, net	<u>\$1,328,578</u>	<u>(\$55,813)</u>	<u>\$0</u>	<u>\$1,272,765</u>

5. LITIGATION AND CLAIMS

The Village is not involved in any litigation at June 30, 2018, nor is it aware of any unasserted claims.

6. MANAGEMENT REVIEW

Subsequent events have been evaluated through September 19, 2018. This date represents the date the financial statements were available to be issued.

OTHER SUPPLEMENTAL INFORMATION

Village of Saline
Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2018

Agency Head Name: Mayor Dorothy Satcher

Purpose	<u>Amount</u>
Salary	\$9,600
Benefits-insurance	0
Benefits-retirement	0
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	303
Travel	93
Registration fees	500
Conference travel	760
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0

See independent accountant’s review report.

REQUIRED SUPPLEMENTAL INFORMATION

Village of Saline
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balances - Budget and Actual (GAAP)
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES				
Taxes:				
Ad valorem taxes	\$2,281	\$2,281	\$5,195	\$2,914
Sales taxes	16,000	16,000	24,521	8,521
Franchise fees	5,566	5,566	6,070	504
Insurance taxes	18,950	18,950	17,421	(1,529)
Ticket income	26,500	26,500	10,290	(16,210)
Other revenues	1,700	1,700	1,692	(8)
Total Revenues	70,997	70,997	65,189	(5,808)
EXPENDITURES				
General government				
Personnel services	36,050	36,050	20,919	15,131
Operating services	30,208	30,208	32,932	(2,724)
Materials and supplies	700	700	21	679
Travel and other charges	1,500	1,500	1,224	276
Public safety	8,600	8,600	2,885	5,715
Capital outlay	0	0	0	0
Total Expenditures	77,058	77,058	57,981	19,077
Excess (Deficiency) of Revenues over (under) Expenditures	(6,061)	(6,061)	7,208	13,269
Fund Balance (Deficit) at Beginning of Year	27,330	27,330	50,214	22,884
Fund Balance (Deficit) at End of Year	\$21,269	\$21,269	\$57,422	\$36,153

Notes to the schedule

(1) method of budgetary accounting - GAAP

(2) explanation of material variances - ticket income was overbudgeted and not amended

See independent accountant's review report.

WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Board of Commissioners
Village of Saline

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

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$154,450. Compare the documentation for these expenditures to LSA-RS 38:2211-2296 (the public bid law) or RS 39:1551-1775 (state procurement code), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

There were no expenditures made during the year for material and supplies exceeding \$30,000 and no expenditures made for public works exceeding \$154,450.

Code of Ethics for Public Officials and Public Employees

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

Management provided us with the required list including the noted information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the required list.

4. Report whether any employee's names appear on both lists obtained in Procedures 2 and 3.

Brenda Matthews, Alderman and Chief of Police Sammy Matthews are married. Both are elected so there is no violation of law according to the Ethics board.

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

No vendors appeared on both lists provided by management except as noted in #4 above.

Budgeting

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

Management provided us with a copy of the original budget. The original budget did not show approved expenditures in excess of the total of estimated funds available.

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

We traced the adoption of the original budget to the minutes of a meeting held in June, 2017. There was no budget amendment during the year.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenses. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual expenditures did not exceed budgeted expenditures by more than 5%. Budgeted revenues exceeded actual revenues by \$5,808 or 8% negative variance.

Management's response: Management will review budget to actual more closely in the future.

Accounting and Reporting

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

- (a) report whether the six disbursements agree to the amount and payee;

We examined supporting documentation for all six of the selected disbursements and found that payment was for the proper amount for four of the six disbursements.

Management's response: Management will maintain supporting documentation for all disbursements in a central location.

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

Payments were properly coded to the correct fund and general ledger account for all six selected disbursements.

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

Inspection of supporting documentation indicated approval from the Board for five of the six selected disbursements. The mayor signed one check with no supporting documentation but did include a memo regarding the purpose of the disbursement.

Management's response: Management will maintain supporting documentation for all disbursements in a central location.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

We inquired of management whether agendas for meetings were posted at the meeting place at least 24 hours prior to the meeting. Management stated that agendas were posted and a copy is retained by the clerk.

Debt

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

We inspected copies of all bank deposit slips and statements for the fiscal year and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

A reading of the minutes of the village for the year indicated approval for all monthly disbursements. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advance or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with RS 24:513.

The agency's report was submitted to the Legislative Auditor before the statutory due date of December 31, 2018.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in RS 39:72.1 A (2); and that were subject to the public bid law (RS 38:2211, et seq.), while the agency was not in compliance with RS 24:513 (the audit law).

Management represented that the Village did not enter into any contracts during the fiscal year that were subject to the bid law.

Prior Comments and Recommendations

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

Our prior year report, dated October 31, 2017, included the following exceptions. General Fund actual expenditures exceeded budgeted expenditures by more than 5%. One disbursement did not have supporting documentation as to the proper amount paid. These prior year exceptions are repeated this year.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on management's compliance with the foregoing matters. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by LRS 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

Wade & Perry

Ruston, Louisiana
September 19, 2018

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

8/23/18 (Date Transmitted)

Wade & Perry, CPAs (CPA Firm Name)
116 North Pinecrest Dr (CPA Firm Address)
Buston LA 71270 (City, State Zip)

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

Public Bid Law

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

Yes [] No []

Code of Ethics for Public Officials and Public Employees

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

Yes [] No []

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

Yes [] No []

Budgeting

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

Yes [] No []

Accounting and Reporting

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes No

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes No

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes No

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

<u>Cathy Davis</u>	Secretary	<u>8-23-18</u>	Date
<u>Cathy Davis Dorothy Satchers</u>	Treasurer	<u>8-23-18</u>	Date
<u>Dorothy Satchers</u>	President	<u>8-23-18</u>	Date