

VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA

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FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION  
AS OF AND FOR EACH OF THE YEARS  
ENDED DECEMBER 31, 2018 AND 2017

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

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## Independent Accountant's Review Report

Honorable Mayor and Board of Aldermen  
**Village of Collinston**

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and the General Fund, of the Village of Collinston, as of and for each of the two years ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

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

### **Accountant's Responsibility**

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

### **Accountant's Conclusion**

Based on our review, except for the issue noted in the Known Departure From Accounting Principles Generally Accepted in the United States of America paragraph, 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.

### **Known Departure from Accounting Principles Generally Accepted in the United States of America**

Management has elected not to present the Statements of Cash Flows for each of the two years ended December 31, 2018. Accounting principles generally accepted in the United States of America require that a Statement of Cash Flows for each year in which financial statements are presented. If the omitted statements were included in the financial statements, they might influence the user's conclusions about the Village's cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules on page 27 and 28 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has omitted Management's Discussion and Analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated January 17, 2020, on the results of our agreed-upon procedures.

BOSCH & STATHAM, LLC



Ruston, Louisiana  
January 17, 2020

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2018 AND 2017**

	2018			2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 15,011	\$ 97,483	\$ 112,494	\$ 11,325	\$ 99,109	\$ 110,434
Receivables	11,136	11,663	22,799	13,176	11,971	25,147
Internal balances	30,895	(30,895)	-	45,452	(45,452)	0
Capital assets, net of accumulated depreciation	83,925	1,047,934	1,131,859	95,070	1,140,846	1,235,916
<b>TOTAL ASSETS</b>	<b>140,967</b>	<b>1,126,185</b>	<b>1,267,152</b>	<b>165,023</b>	<b>1,206,474</b>	<b>1,371,497</b>
<b>LIABILITIES</b>						
Accounts payable	-	-	-	3,212	-	3,212
Salaries and related payables	17,973	23,534	41,507	10,107	14,913	25,020
Customer deposits payable	-	20,561	20,561	-	19,133	19,133
Noncurrent liabilities:						
Due within one year	-	8,522	8,522	-	8,147	8,147
Due in more than one year	-	298,504	298,504	-	307,026	307,026
<b>Total liabilities</b>	<b>17,973</b>	<b>351,121</b>	<b>369,094</b>	<b>13,319</b>	<b>349,219</b>	<b>362,538</b>
<b>NET POSITION</b>						
Net investment in capital assets	83,925	740,908	824,833	95,070	825,673	920,743
Unrestricted	39,069	34,156	73,225	56,634	31,582	88,216
<b>Total net position</b>	<b>\$ 122,994</b>	<b>\$ 775,064</b>	<b>\$ 898,058</b>	<b>\$ 151,704</b>	<b>\$ 857,255</b>	<b>\$1,008,959</b>

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental activities:							
General government	\$ 98,025	\$ -	\$ -	\$ -	\$ (98,025)		\$ (98,025)
Public safety	28,055	36,068	-	-	8,013		8,013
Public works	5,725	-	-	-	(5,725)		(5,725)
Total governmental activities	<u>131,805</u>	<u>36,068</u>	<u>-</u>	<u>-</u>	<u>(95,737)</u>		<u>(95,737)</u>
Business-type activities:							
Water and sewer	216,959	124,934	-	-	-	\$ (92,025)	(92,025)
Total business-type activities	<u>216,959</u>	<u>124,934</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,025)</u>	<u>(92,025)</u>
Total primary government	<u>\$ 348,764</u>	<u>\$ 161,002</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(95,737)</u>	<u>(92,025)</u>	<u>(187,762)</u>
General revenues:							
Property taxes					12,446	-	12,446
Sales and use taxes					22,315	-	22,315
Franchise taxes					2,325	-	2,325
Licenses and permits					13,471	-	13,471
Unrestricted investment earnings					7,441	55	7,496
Other					9,029	9,779	18,808
Total general revenues and transfers					<u>67,027</u>	<u>9,834</u>	<u>76,861</u>
<b>Change in net position</b>					(28,710)	(82,191)	(110,901)
Net position at beginning of year					151,704	857,255	1,008,959
<b>Net position at end of year</b>					<u>\$ 122,994</u>	<u>\$ 775,064</u>	<u>\$ 898,058</u>

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental activities:							
General government	\$ 70,735	\$ -	\$ -	\$ -	\$ (70,735)		\$ (70,735)
Public safety	32,221	33,710	-	-	1,489		1,489
Public works	5,725	-	2,303	-	(3,422)		(3,422)
Total governmental activities	<u>108,681</u>	<u>33,710</u>	<u>2,303</u>	<u>-</u>	<u>(72,668)</u>		<u>(72,668)</u>
Business-type activities:							
Water and sewer	239,320	127,013	-	-	-	\$ (112,307)	(112,307)
Total business-type activities	<u>239,320</u>	<u>127,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(112,307)</u>	<u>(112,307)</u>
Total primary government	<u>\$ 348,001</u>	<u>\$ 160,723</u>	<u>\$ 2,303</u>	<u>\$ -</u>	<u>(72,668)</u>	<u>(112,307)</u>	<u>(184,975)</u>
General revenues:							
Property taxes					10,485	-	10,485
Sales and use taxes					29,211	-	29,211
Franchise taxes					2,484	-	2,484
Licenses and permits					14,476	-	14,476
Other taxes, penalties and interest					65	-	65
Unrestricted investment earnings					7,451	240	7,691
Other					1,268	31,964	33,232
Total general revenues and transfers					<u>65,440</u>	<u>32,204</u>	<u>97,644</u>
<b>Change in net position</b>					<u>(7,228)</u>	<u>(80,103)</u>	<u>(87,331)</u>
Net position at beginning of year					158,932	937,358	1,096,290
<b>Net position at end of year</b>					<u>\$ 151,704</u>	<u>\$ 857,255</u>	<u>\$ 1,008,959</u>



**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**GOVERNMENTAL FUND - GENERAL FUND - BALANCE SHEET  
BALANCE SHEET  
AS OF DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 15,011	\$ 11,325
Receivables	11,136	13,176
Due from other funds	30,895	45,452
<b>TOTAL ASSETS</b>	<u>\$ 57,042</u>	<u>\$ 69,953</u>
 <b>LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY</b>		
Liabilities:		
Accounts payable	\$ -	\$ 3,212
Salaries and related payables	17,973	10,107
Total liabilities	<u>17,973</u>	<u>13,319</u>
Deferred inflows:		
Ad valorem taxes - unavailable	<u>3,689</u>	<u>770</u>
Fund equity - fund balances:		
Unassigned	<u>35,380</u>	<u>55,864</u>
Total fund equity - fund balances	<u>35,380</u>	<u>55,864</u>
 <b>TOTAL LIABILITIES, FUND EQUITY, AND DEFERRED INFLOWS</b>	 <u>\$ 57,042</u>	 <u>\$ 69,953</u>

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>		
Total fund balances	\$ 35,380	\$ 55,864
Capital assets used in governmental activities are not financial resources and, therefore, are expensed in the funds.	83,925	95,070
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	3,689	770
Net position of governmental activities	<u>\$ 122,994</u>	<u>\$ 151,704</u>

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**GOVERNMENTAL FUND - GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Revenues:		
Taxes:		
Ad valorem	\$ 9,527	\$ 10,082
Sales and use	22,315	29,211
Franchise taxes	2,325	2,484
Other taxes, penalties, and interest	-	65
Licenses and permits	13,471	14,476
Intergovernmental funds:		
Other state funds	-	2,303
Fines and forfeitures	36,068	33,710
Use of money and property	7,441	7,451
Other revenues	9,029	1,268
Total revenues	<u>100,176</u>	<u>101,050</u>
Expenditures:		
Current:		
General government:		
Legislative	10,800	10,800
Other general government	86,398	58,228
Public safety	23,462	22,667
Total expenditures	<u>120,660</u>	<u>91,695</u>
<b>Net change in fund balances</b>	<b>(20,484)</b>	<b>9,355</b>
Fund balance at beginning of year	<u>55,864</u>	<u>46,509</u>
<b>Fund balance at end of year</b>	<b><u>\$ 35,380</u></b>	<b><u>\$ 55,864</u></b>

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS' STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO  
THE STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Net change in fund balances - total governmental funds	\$ (20,484)	\$ 9,355
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Likewise, gains and losses from disposals are recognized in the government-wide statements.</p>		
Depreciation	(11,145)	(16,986)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds</p>		
Revenue deferred in the fund statements - prior year	(770)	(367)
Revenue deferred in the fund statements - current year	<u>3,689</u>	<u>770</u>
Change in net position of governmental activities	<u>\$ (28,710)</u>	<u>\$ (7,228)</u>

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**PROPRIETARY FUND – WATER AND SEWER FUND  
STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 8,724	\$ 8,206
Receivables	11,663	11,971
Total current assets	<u>20,387</u>	<u>20,177</u>
Noncurrent assets:		
Cash and cash equivalents - restricted	88,759	90,903
Capital assets, net of accumulated depreciation	1,047,934	1,140,846
Total noncurrent assets	<u>1,136,693</u>	<u>1,231,749</u>
<b>TOTAL ASSETS</b>	<u>1,157,080</u>	<u>1,251,926</u>
<b>LIABILITIES</b>		
Current liabilities:		
Salaries and related payables	23,534	14,913
Due to other funds	30,895	45,452
Customer deposits payable	20,561	19,133
Revenue bonds payable - current	8,522	8,147
Total current liabilities	<u>83,512</u>	<u>87,645</u>
Noncurrent liabilities:		
Revenue bonds payable	298,504	307,026
<b>TOTAL LIABILITIES</b>	<u>382,016</u>	<u>394,671</u>
<b>NET POSITION</b>		
Net investment in capital assets	740,908	825,673
Unrestricted	34,156	31,582
<b>TOTAL NET POSITION</b>	<u>\$ 775,064</u>	<u>\$ 857,255</u>

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**PROPRIETARY FUND – WATER AND SEWER FUND  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Operating revenues:		
Charges for services:		
Water fees	\$ 97,113	\$ 98,945
Sewer fees	27,821	28,068
Other revenues	9,779	17,178
Total revenues	<u>134,713</u>	<u>144,191</u>
Operating expenses:		
Administration:		
Advertising	31	-
Contract labor	20,860	15,983
Depreciation	92,911	91,371
Dues and subscriptions	1,416	1,649
Employee benefits	3,349	4,629
Fuel	2,064	2,141
Insurance	-	7,579
Other expenses	406	301
Postage and shipping	-	364
Professional services	3,574	-
Repairs and maintenance	6,524	17,978
Salaries and wages	42,802	56,810
Supplies	10,817	12,546
Travel	-	187
Utilities	17,972	13,197
Total operating expenses	<u>202,726</u>	<u>224,735</u>
Operating income (loss)	<u>(68,013)</u>	<u>(80,544)</u>
Nonoperating revenues (expenses):		
Interest earned	55	240
Interest expense	(14,233)	(14,585)
Proceeds from insurance	-	14,786
Total nonoperating revenue (expense)	<u>(14,178)</u>	<u>441</u>
<b>Change in net position</b>	<b>(82,191)</b>	<b>(80,103)</b>
Net position at beginning of year	<u>857,255</u>	<u>937,358</u>
<b>Net position at end of year</b>	<b><u>\$ 775,064</u></b>	<b><u>\$ 857,255</u></b>

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Collinston, Louisiana, (the Village) operates under a mayor-board of aldermen form of government in accordance with the provisions of the Lawrason Act. Citizens elect the mayor (at large) and three council members (by districts) who are each compensated. The Village is located in northeast Louisiana. Its population is approximately 375. The Village employs a clerk, utility superintendent, a police chief, and one full-time and one part-time officer. As of December 31, 2018, and 2017, the Village services approximately 210 utility customers and maintains approximately three miles of streets.

The Village provides general government, public safety (police), public works (streets, water, sanitation), and public improvement services.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, 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, as it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or 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.

The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. the ability of the municipality 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 municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the criteria, the Village has determined that Sewer District No. 1 of the Village of Collinston, Louisiana, is a component unit of the reporting entity. As required by generally accepted accounting principles, these financial statements present the primary government (the Village) and its component unit. The component unit is reported as part of the municipality and blended with the appropriate municipality funds.

*See accountant's review report.*

VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Component units that are legally separate from the municipality but are so intertwined with the municipality that they are, in substance, the same as the municipality are blended component units.

For a component unit to be blended, the organization's board and the municipality must be substantively the same, or the organization must provide services entirely or almost entirely to the municipality.

Considered in the determination of component units of the reporting entity was the Eighth Ward Fire Protection District No. 1 of Morehouse Parish, Louisiana. It was determined that this governmental entity is not a component unit of the Village's reporting entity.

**Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. 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 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) charges 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 and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement focus, basis of accounting, and financial statement presentation**

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

*See accountant's review report.*



VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

**Measurement focus, basis of accounting, and financial statement presentation (Continued)**

For this purpose, the Village 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.

Property taxes, 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 receivable 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 Village.

The Village reports the following major governmental fund:

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 one major proprietary fund, the Water and Sewer Enterprise Fund.

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 Village's enterprise operations and its governmental operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. However, there were no payments-in-lieu of taxes for the year ended December 31, 2017.

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.

*See accountant's review report.*

VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The Water and Sewer Fund's principal operating revenues are water and sewer usage fees. Operating expenses for enterprise funds include the cost of services, administrative expenses, 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.

**Fund Balance Type Definitions**

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, Village of Collinston classifies governmental fund balances as follows:

Non-spendable	Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
Restricted	Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
Committed	Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Fund balance may be committed by the Board of Aldermen.
Assigned	Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Aldermen.
Unassigned	Includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

**Receivables and payables**

Activity between funds outstanding at the end of the fiscal year, including lending and borrowing arrangements, is 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). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

*See accountant's review report.*

VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Receivables and payables (Continued)**

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 and property tax receivables are shown net of an allowance for uncollectibles, when material.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied by the Village in September or October, are actually billed to the taxpayers in November and are due and payable on or before December 31 of the same year. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year they are billed. The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Morehouse Parish. For the year ended December 31, 2017, taxes of 7.96 mills were levied on property with assessed valuations totaling \$1,300,827.

**Budgets**

The Village of Collinston (Mayor and Board of Aldermen) adopt an annual budget for the General Fund prior to December 31. The annual budget is prepared in accordance with the basis of accounting utilized by the funds. The Village Clerk is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter the total expenditures resulting from revenues exceeding amounts estimated must be approved by the Board of Aldermen. The budgetary comparison schedule, included as supplementary information in the accompanying financial statements, includes the original and amended budgeted amounts. All annual appropriations lapse at fiscal year-end.

**Cash and cash equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village of Collinston may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Some of the cash and cash equivalents are restricted. Cash deposits are reported at carrying amount which reasonably approximates fair value.

**Investments**

Under state law, the Village may invest in United States bonds, notes, or certificates. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**Short-term interfund receivables/payables**

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the fund financial statements balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

*See accountant's review report.*

VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Elimination and reclassifications**

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities' column.

**Inventories**

Inventories are accounted for using the consumption method, where expenditures are recognized as the inventory is used. All purchased inventory items are valued at cost using the first-in/first-out method.

**Capital assets**

Capital assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. The capitalization threshold for equipment is \$2,500. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Streets	20 years
Buildings and building improvements	20-25 years
Machinery and equipment	5-10 years
Water and sewer system	10-25 years

**Compensated absences**

Allowable annual vacation and sick leave is prescribed by municipal ordinance and based on length of continuous employment by the Village. Compensatory time is also granted to supervisory personnel in lieu of overtime pay and should be used by the end of the fiscal year. Payment for unused compensatory time requires approval of the mayor and Board of Aldermen.

The Village's recognition and measurement criteria for compensated absences are as follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

*See accountant's review report.*

VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated absences**

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following approaches:

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Compensated absences are paid from the fund responsible for the employee's compensation.

No liability existed as of December 31, 2018 and 2017, for accrued compensated absences resulting from unused vacation time at the end of the year and no liability was recorded for non-vesting accumulating rights to receive sick pay benefits.

**Restricted net position**

For the government-wide statement of net position, a balance is reported as restricted when constraints placed on asset use are either:

1. Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments.
2. Imposed by law through constitutional provisions or enabling legislation.

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

*See accountant's review report.*

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund equity**

Equity is classified as net position and displayed in three components:

Net investment 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 that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**Interfund activity**

Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Custodial credit risk is the risk that, in the event of a bank failure, the Village's deposits may not be returned to it. The Village's policy to ensure that there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Village that the fiscal agent bank has failed to pay deposited funds upon demand.

*See accountant's review report.*

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 2 – CASH AND CASH EQUIVALENTS (CONTINUED)**

At December 31, 2018 and 2017, the Village has cash and cash equivalents (book balances) totaling \$112,494 and \$110,434, respectively, as follows:

	<u>2018</u>	<u>2017</u>
<b>Cash and cash equivalents:</b>		
Demand deposits	\$ 18,735	\$ 14,531
Time deposits	5,000	5,000
Total	<u>23,735</u>	<u>19,531</u>
<b>Cash and cash equivalents – restricted:</b>		
Demand deposits	88,759	90,903
<b>Total</b>	<u>\$ 112,494</u>	<u>\$ 110,434</u>

These deposits are stated at cost which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

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. As of December 31, 2018, and 2017, the Village had \$114,923 and \$111,451, respectively, in deposits (collected bank balances). These deposits were secured from risk by federal deposit insurance.

**NOTE 3 – RECEIVABLES**

The following is a summary of receivables at December 31, 2018 and 2017:

	<u>2018</u>		<u>2017</u>	
	<u>General</u>	<u>Water/ Sewer</u>	<u>General</u>	<u>Water/ Sewer</u>
Taxes:				
Ad valorem	\$ 6,698	\$ -	\$ 8,483	\$ -
Sales	3,327	-	3,745	-
Franchise	1,111	-	948	-
Accounts	-	19,135	-	19,443
Subtotal	<u>11,136</u>	<u>19,135</u>	<u>13,176</u>	<u>19,443</u>
Allowance for doubtful accounts	-	(7,472)	-	(7,472)
<b>Total</b>	<u>\$ 11,136</u>	<u>\$ 11,663</u>	<u>\$ 13,176</u>	<u>\$ 11,971</u>

*See accountant's review report.*

VILLAGE OF COLLINSTON  
 COLLINSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 4 – CAPITAL ASSETS

A schedule of changes in capital assets for the year ended December 31, 2018, follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 3,650	\$ -	\$ -	\$ 3,650
<b>Capital assets being depreciated:</b>				
Streets	143,958	-	-	143,958
Buildings	82,712	-	-	82,712
Building improvements	30,097	-	-	30,097
Machinery and equipment	107,614	-	-	107,614
Total capital assets being depreciated	<u>364,381</u>	<u>-</u>	<u>-</u>	<u>364,381</u>
<b>Less accumulated depreciation for:</b>				
Streets	70,958	5,725	-	76,683
Buildings	82,712	-	-	82,712
Building improvements	25,285	747	-	26,032
Machinery and equipment	94,006	4,673	-	98,679
Total accumulated depreciation	<u>272,961</u>	<u>11,145</u>	<u>-</u>	<u>284,106</u>
Total capital assets being depreciated	<u>91,420</u>	<u>(11,145)</u>	<u>-</u>	<u>80,275</u>
Governmental activities, capital assets, net	<u>\$ 95,070</u>	<u>\$ (11,145)</u>	<u>\$ -</u>	<u>\$ 83,925</u>
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 5,500	\$ -	\$ -	\$ 5,500
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>5,500</u>	<u>-</u>	<u>-</u>	<u>5,500</u>
<b>Capital assets being depreciated:</b>				
Water and sewer systems	2,787,946	-	-	2,787,946
Machinery and equipment	71,815	-	-	71,815
Total capital assets being depreciated	<u>2,859,761</u>	<u>-</u>	<u>-</u>	<u>2,859,761</u>
<b>Less accumulated depreciation for:</b>				
Water and sewer systems	1,665,255	89,606	-	1,754,861
Machinery and equipment	59,160	3,306	-	62,466
Total accumulated depreciation	<u>1,724,415</u>	<u>92,912</u>	<u>-</u>	<u>1,817,327</u>
Total capital assets being depreciated	<u>1,135,346</u>	<u>(92,912)</u>	<u>-</u>	<u>1,042,434</u>
Business-type activities, capital assets, net	<u>\$ 1,140,846</u>	<u>\$ (92,912)</u>	<u>\$ -</u>	<u>\$ 1,047,934</u>

See accountant's review report.



VILLAGE OF COLLINSTON  
 COLLINSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 4 – CAPITAL ASSETS (CONTINUED)

A schedule of changes in capital assets for the year ended December 31, 2017, follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 3,650	\$ -	\$ -	\$ 3,650
<b>Capital assets being depreciated:</b>				
Streets	143,958	-	-	143,958
Buildings	82,712	-	-	82,712
Building improvements	30,097	-	-	30,097
Machinery and equipment	107,614	-	-	107,614
Total capital assets being depreciated	<u>364,381</u>	<u>-</u>	<u>-</u>	<u>364,381</u>
<b>Less accumulated depreciation for:</b>				
Streets	65,233	5,725	-	70,958
Buildings	82,712	-	-	82,712
Building improvements	24,538	747	-	25,285
Machinery and equipment	83,492	10,514	-	94,006
Total accumulated depreciation	<u>255,975</u>	<u>16,986</u>	<u>-</u>	<u>272,961</u>
Total capital assets being depreciated	<u>108,406</u>	<u>(16,986)</u>	<u>-</u>	<u>91,420</u>
Governmental activities, capital assets, net	<u>\$ 112,056</u>	<u>\$ (16,986)</u>	<u>\$ -</u>	<u>\$ 95,070</u>
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 5,500	\$ -	\$ -	\$ 5,500
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>5,500</u>	<u>-</u>	<u>-</u>	<u>5,500</u>
<b>Capital assets being depreciated:</b>				
Water and sewer systems	2,787,946	-	-	2,787,946
Machinery and equipment	63,415	8,400	-	71,815
Total capital assets being depreciated	<u>2,851,361</u>	<u>8,400</u>	<u>-</u>	<u>2,859,761</u>
<b>Less accumulated depreciation for:</b>				
Water and sewer systems	1,575,650	89,605	-	1,665,255
Machinery and equipment	57,394	1,766	-	59,160
Total accumulated depreciation	<u>1,633,044</u>	<u>91,371</u>	<u>-</u>	<u>1,724,415</u>
Total capital assets being depreciated	<u>1,218,317</u>	<u>(82,971)</u>	<u>-</u>	<u>1,135,346</u>
Business-type activities, capital assets, net	<u>\$ 1,223,817</u>	<u>\$ (82,971)</u>	<u>\$ -</u>	<u>\$ 1,140,846</u>

See accountant's review report.

VILLAGE OF COLLINSTON  
 COLLINSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 4 – CAPITAL ASSETS (CONTINUED)

Depreciation expense of the governmental activities of \$11,145 and \$16,986 is included in the following functions in the statement of activities for 2018 and 2017, respectively:

	<u>2018</u>	<u>2017</u>
General government	\$ 827	\$ 1,707
Public safety	4,593	9,554
Public works	5,725	5,725
	<u>\$ 11,145</u>	<u>\$ 16,986</u>

NOTE 5 – LONG-TERM OBLIGATIONS

The Village issues bonds where the Village pledges income derived from the acquired or constructed asset to pay debt service.

Bonds payable as of December 31, 2018 and 2017, are comprised of the following issues:

	<u>2018</u>	<u>2017</u>
\$411,000 Water Revenue Bonds, Series 2000 dated September 27, 2000, payable in monthly installments of \$1,866 beginning October 27, 2001, and ending October 27, 2040, including interest at 4.5%. The Water and Sewer Fund services this debt.	<u>\$ 307,026</u>	<u>\$ 315,173</u>

Long-term liability activity for the year ended December 31, 2017, was as follows:

2018	<u>Beginning</u>		<u>Ending</u>	<u>Due Within</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
				<u>One Year</u>
<b>Business-type activities:</b>				
Water Revenue Bonds, Series 2000 - \$411,000 Bonds	<u>\$ 315,173</u>	<u>\$ -</u>	<u>\$ (8,147)</u>	<u>\$ 307,026</u>
				<u>\$ 8,522</u>
2017	<u>Beginning</u>		<u>Ending</u>	<u>Due Within</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
				<u>One Year</u>
<b>Business-type activities:</b>				
Water Revenue Bonds, Series 2000 - \$411,000 Bonds	<u>\$ 322,963</u>	<u>\$ -</u>	<u>\$ (7,790)</u>	<u>\$ 315,173</u>
				<u>\$ 8,147</u>

See accountant's review report.

VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017

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**NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)**

Annual debt service requirements to maturity for bonds are as follows:

	<b>\$411,000 Water Revenue Bonds, Series 2000</b>	
	<b>Principal</b>	<b>Interest</b>
2019	\$ 8,522	\$ 14,275
2020	8,913	13,901
2021	9,323	13,510
2022	9,751	13,100
2023	10,199	12,672
2024-2028	58,467	56,215
2029-2033	73,189	42,139
2034-2038	91,620	24,519
2039-2040	37,042	1,792
Totals	<u>\$ 307,026</u>	<u>\$ 192,123</u>

The revenue bonds will be liquidated by liens on and pledges of the Village's water and sewer revenues. Interest expense for the year ended December 31, 2018 and 2017, totaled \$14,244 and \$14,601, respectively.

**NOTE 6 – CONTINGENCIES**

The Village operates water and sewer treatment plants. These operations pose a high risk for environmental liabilities. The Village is required to have EPA permits for wastewater. The Village relies on the EPA for periodic testing and inspections to help identify environmental liabilities or contingencies.

There was no litigation pending as of December 31, 2018 and 2017.

**NOTE 7– RISK MANAGEMENT**

The Village is exposed to various risks of loss relating to torts, theft of, damage to, and destruction of assets, errors, and omissions, injuries to employees, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

**NOTE 8 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 17, 2020, the date on which the financial statements were available to be released.

*See accountant's review report.*

**REQUIRED SUPPLEMENTAL INFORMATION**

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>with Final Budget</u>
Revenues:				
Taxes:				
Ad valorem	\$ 14,522	\$ 14,522	\$ 9,527	\$ (4,995)
Sales and use	28,200	28,200	22,315	(5,885)
Franchise taxes	3,480	3,480	2,325	(1,155)
Other taxes, penalties, and interest	685	685	-	(685)
Licenses and permits	14,730	14,730	13,471	(1,259)
Intergovernmental funds:				
State funds:				
Other state funds	15,000	15,000	-	(15,000)
Fines and forfeitures	35,780	35,780	36,068	288
Use of money and property	8,066	8,066	7,441	(625)
Other revenues	7,619	7,619	9,029	1,410
Total revenues	<u>128,082</u>	<u>128,082</u>	<u>100,176</u>	<u>(27,906)</u>
Expenditures:				
Current:				
General government:				
Legislative	10,800	10,800	10,800	-
Other general government	77,540	77,540	86,398	8,858
Public safety	21,160	21,160	23,462	2,302
Capital outlay	3,117	3,117	-	(3,117)
Total expenditures	<u>112,617</u>	<u>112,617</u>	<u>120,660</u>	<u>8,043</u>
Excess (deficiency) of revenues over expenditures	<u>15,465</u>	<u>15,465</u>	<u>(20,484)</u>	<u>(35,949)</u>
<b>Net change in fund balances</b>	17,465	17,465	(20,484)	(37,949)
Fund balance at beginning of year	-	-	55,864	55,864
<b>Fund balances at end of year</b>	<u>\$ 17,465</u>	<u>\$ 17,465</u>	<u>\$ 35,380</u>	<u>\$ 17,915</u>

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>with Final Budget</u>
Revenues:				
Taxes:				
Ad valorem	\$ 10,300	\$ 10,300	\$ 10,082	\$ (218)
Sales and use	30,000	30,000	29,211	(789)
Franchise taxes	3,480	3,480	2,484	(996)
Other taxes, penalties, and interest	620	620	65	(555)
Licenses and permits	14,565	14,565	14,476	(89)
Intergovernmental funds:				
State funds:				
Other state funds	15,000	15,000	2,303	(12,697)
Fines and forfeitures	33,700	33,700	33,710	10
Use of money and property	7,467	7,467	7,451	(16)
Other revenues	1,000	1,000	1,268	268
Total revenues	<u>116,132</u>	<u>116,132</u>	<u>101,050</u>	<u>(15,082)</u>
Expenditures:				
Current:				
General government:				
Legislative	10,800	10,800	10,800	-
Other general government	62,974	62,974	58,228	(4,746)
Public safety	22,630	22,630	22,667	37
Capital outlay	15,000	15,000	-	(15,000)
Total expenditures	<u>111,404</u>	<u>111,404</u>	<u>91,695</u>	<u>(19,709)</u>
<b>Net change in fund balances</b>	4,728	4,728	9,355	4,627
Fund balance at beginning of year	-	-	46,509	46,509
<b>Fund balances at end of year</b>	<u>\$ 4,728</u>	<u>\$ 4,728</u>	<u>\$ 55,864</u>	<u>\$ 51,136</u>

**OTHER SUPPLEMENTAL SCHEDULES**

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**SCHEDULE OF COMPENSATION TO BOARD OF ALDERMEN  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

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	<u>2018</u>	<u>2017</u>
Dorothy Bradshaw	\$ 2,400	\$ 2,400
Betty Jones	2,400	2,400
Renee Pates	<u>2,400</u>	<u>2,400</u>
Total	<u>\$ 7,200</u>	<u>\$ 7,200</u>



**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, REIMBURSEMENTS  
AND OTHER PAYMENTS TO OR ON BEHALF OF AGENCY HEAD  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

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	<u>2018</u>	<u>2017</u>
<b>Frank Miller, Mayor</b>		
Salary	<b>\$ 3,600</b>	\$ 3,600
Benefits:		
Social Security	223	223
Medicare	<u>52</u>	<u>52</u>
Totals	<u><b>\$ 3,875</b></u>	<u><b>\$ 3,875</b></u>

## **OTHER REPORTS**

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

To the Management of  
Village of Collinston

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 Collinston and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Village of Collinston's compliance with certain laws and regulations during the two years ended December 31, 2018 and 2017, included in the accompanying *Louisiana Attestation Questionnaire*. Management of the Village of Collinston is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed 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 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. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable.

*We did not identify any expenditures in either year made for materials and supplies or public works that exceeded the thresholds set by the Louisiana Public Bid Law.*

*Exceptions: None*

*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 R.S. 42:1101-1124 (the ethics law).

*Management did not provide us with a list of immediate family members of each board member for either year.*

*Exceptions: None*

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

*We obtained a list of all employees paid during each fiscal year.*

*Exceptions: None*

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

*We were unable to compare the lists since management did not provide the list specified under procedure 2.*

*Exceptions: None*

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.

*We obtained a list of all disbursements made during each year. However, management did not provide a list of outside business interests of board members, employees, and their immediate families.*

*Exceptions: See above*

#### *Budgeting*

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

*Management did not provide us a copy of the legally adopted budget and all amendments. However, we pulled budget amounts from the accounting software.*

*Exceptions: See above*

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 noted a budget for the year ended December 31, 2017, was adopted per the minutes for a December 13, 2016 meeting. We also noted, per the minute book, that an amendment for 2017 was adopted December 12, 2017.*

*We noted a budget for the year ended December 31, 2018, was adopted per the minutes for a December 12, 2017 meeting. We also noted, per the minute book, that an amendment for 2018 was adopted August 14, 2018.*

*Exceptions: See above*



8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

*Using the 2017 budget we located, we noted that actual revenues fell below the budgeted revenues by 13% and actual expenditures were below budgeted expenditures.*

*Using the 2018 budget we located, we noted that actual revenues fell below the budgeted revenues by 22% and actual expenditures exceeded budgeted expenditures by 7%.*

*Exceptions: See above*

#### *Accounting and Reporting*

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

*We obtained the list of disbursements made during each fiscal year. For each year, we randomly selected 3 disbursements from the General fund and 3 from the Enterprise fund. We compared the selected disbursements to the supporting documentation.*

*Exceptions: None*

- a. Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

*For the year ended December 31, 2017, we noted four of six disbursements agreed to amount and five of six disbursements agreed to payee. Management did not provide documentation for one disbursement. One check was one cent different from the invoice.*

*For the year ended December 31, 2018, we noted four of six disbursements agreed to the amount and the payee in the supporting documentation. Management did not provide documentation for two out of six disbursements.*

*Exceptions: See above*

- b. Report whether the six disbursements were coded to the correct fund and general ledger account.

*For the year ended December 31, 2017, four out of six disbursements were coded to the correct fund and five out of six disbursements were coded to the correct account. Management did not provide documentation for one disbursement. One disbursement tested was a check that only paid part of an invoice, and since management did not document how that amount was determined, we were unable to report whether the disbursement was coded to the correct fund.*

*For the year ended December 31, 2018, three out of six disbursements were coded to the correct fund and general ledger account. Management did not provide supporting documentation for two disbursements. One disbursement tested was a check that only paid part of an invoice. Since management did not document how that amount was determined, we were unable to report whether the disbursement was coded to the correct fund.*

*Exceptions: See above*

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

*For the year ended December 31, 2017, four out of six disbursements were approved in accordance with management's policies and procedures. We were not given documentation for one out of six disbursements, and one disbursement appears to have been made from a duplicate invoice, which is not in accordance with management's policies and procedures.*

*For the year ended December 31, 2018, four out of six disbursements were approved in accordance with management's policies and procedures. We were not given documentation for two out of six disbursements.*

*Exceptions: See above*



*Meetings*

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

*The Village is only required to post a notice of each meeting and the accompanying agenda on the door of Town Hall. The Village maintains a file of agendas that include notations of posting dates. We examined the file and noted that there appeared to be documentation for each meeting.*

*Exceptions: None*

*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 bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

*We scanned the deposit slips and noted no such deposits.*

*Exceptions: None*

*Advances and Bonuses*

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

*We obtained the list of payroll disbursements and meeting minutes. There do not appear to be any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.*

*Exceptions: None*

*State Audit Law*

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

*The agency's reports for 2017 and 2018 will be late.*

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

*We inquired of management. No such contracts were identified.*

*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.

*The prior year report included findings which are discussed in the schedule of findings.*

*Management's Response to all Exceptions: Will take the comments under advisement and take appropriate action.*

Village of Collinston  
Report on Agreed-Upon Procedures  
December 31, 2018 and December 31, 2017

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

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

BOSCH & STATHAM, LLC

*Bosch & Statham*

Ruston, Louisiana  
January 17, 2020



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

10/30/19 (Date Transmitted)

Bosch & Statham, LLC  
Post Office Box 2377  
Ruston, Louisiana 71273-2377

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2018 and for the two years then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

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

Yes  No

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

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

Yes  No

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

Yes  No

**Budgeting**

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

Yes  No

**Accounting and Reporting**

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

Yes  No

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

Yes  No

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

Yes  No

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

Yes  No

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

Yes  No

**Meetings**

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

Yes  No

**Debt**

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

Yes  No

**Advances and Bonuses**

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

Yes  No

**Prior-Year Comments**

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

Yes  No

**General**

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

Yes  No

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

Yes  No

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

Yes  No

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

Yes  No

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

Yes  No

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

Yes  No

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

Kelley DeBore Clerk 10-25-19 Date

Christy Lutz Mayor 10-25-19 Date

Sarahy Bradshaw Mayor Pro-Tem 10-25-19 Date

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**SCHEDULE OF FINDINGS  
FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017**

---

The following matters were noted while performing review procedures and the agreed-upon procedures reported on above.

**2018-001 Funding Requirements of Loan Resolutions**

**Year First Reported**

2009

**Condition**

The 2009 report included a finding that required reserves and sinking funds were underfunded. We were unable to obtain sufficient documentation to determine what the requirements were. The Village has obtained the requirements for one of the loans and appears to have met the requirements. There are still no documents for the second loan. However, the Village has a sinking fund, a reserve fund, and a depreciation fund with balances of \$19,309, \$22,012, and \$8,688, respectively.

**Criteria**

The loan agreements with United States Department of Agriculture require that certain amounts be set aside in specific bank accounts each year to be used only for repairing or improving the water and sewer systems or to make loan repayments.

**Cause**

Funds were limited for many years and management was unsure of the required amounts. Management has attempted to obtain copies of the requirements from the USDA but has been unsuccessful.

**Effect**

The Village may be in violation with the requirements of loan resolutions.

**Recommendation**

We recommend that management continue to attempt to locate copies of the debt agreements and other documents. The Village should also timely make the required monthly deposits and fund the deficit.

**Corrective Action Plan**

The Village will continue to try to resolve the matter.

**2018-002 Report Submitted Late**

**Year First Reported**

2014

**Condition**

The Village's 2017 and 2018 review and attestation reports were not submitted by June 30, 2018 and June 30, 2019, respectively.

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**SCHEDULE OF FINDINGS  
FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017**

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**Criteria**

Louisiana Revised Statute 24:513 required that the Village's 2017 and 2018 annual reports be submitted to the Legislative Auditor within six months of year end.

**Cause**

The Village was unable to give the accountant the data required to complete the review and the agreed-upon procedures. Among other issues, the Village's computer crashed.

**Effect**

The Village is in violation of state law regarding submitting its annual report. Entities who are late are placed on a noncompliance list and cannot receive state funds until their report is submitted.

**Recommendation**

We recommend that the Village:

1. Post all adjusting entries.
2. Verify that the trial balances match the audited balances after adjustment.
3. Utilize the accounting software's payroll software service to ensure that payroll is accurate and properly posted and proper reports are readily available.
4. Ensure that accounting records and requested data are complete and submitted to the accountant as early as possible. Ideally, the Village should be ready for audit or review within sixty days of year end.

**Corrective Action Plan**

The Village will implement the auditor's recommendation.

**2018-003 Payroll Posting Errors**

**Year First Reported**

2015

**Condition**

Errors were made in posting payroll tax expenses, payroll tax liabilities and transfers between funds to make payments on the liabilities.

**Criteria**

The Village purchased the payroll software as previously recommended. However, the software was not used to process payroll. Payroll was calculated manually by spreadsheet.

**Cause**

The Village purchased the payroll software as previously recommended. However, the software was not used to process payroll. Payroll was calculated manually by spreadsheet. Payroll checks and tax payments were posted manually.

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**SCHEDULE OF FINDINGS  
FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017**

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**Effect**

There were material misstatements in several liability and expense accounts and interfund balances were incorrect. The errors required the accounting firm to spend time analyzing and adjusting the payroll accounts. The review and attestation report was not submitted to the Legislative Auditor by the due date.

**Recommendation**

We recommend that the Clerk obtain training and/or outsource payroll processing to ensure accurate processing and posting.

**Corrective Action Plan**

We will implement the accountant's recommendation.

**2018-004 Payroll Tax Returns and Payments Filed Late**

**Year First Reported**

2016

**Condition**

Multiple returns were filed late for 2017 and 2018. As of December 31, 2018, the Village had outstanding balances for federal and state payroll tax liabilities as far back as 2016 totaling approximately \$40,000. We could find no 2018 payments for federal payroll taxes.

**Criteria**

Federal regulations and state law require timely filing of returns and payments.

**Cause**

The cause is unknown.

**Effect**

The Village is incurring penalties and interest on payroll taxes and is not in compliance with federal and state law.

**Recommendation**

We recommend that the Clerk design and implement policies and procedures to ensure that filing and payments are timely.

**Corrective Action Plan**

We will implement the accountant's recommendation.

**VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA**

**SCHEDULE OF FINDINGS  
FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017**

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**2018-005 Financial Condition**

**Year First Reported**

2018

**Condition**

If the results of operations are the same in 2019 and 2020 as they were in 2018, the Village will have deficits as follows:

	General	Enterprise (Unrestricted)
Balance, December 31, 2018	\$35,380	\$34,156
Assumption-Operations 2019	(20,484)	(82,191)
Assumption-Operations 2020	(20,484)	(82,191)
Balance, December 31, 2020	(\$5,588)	(\$130,226)

**Criteria**

Best practices include managing revenues and expenditures/expenses to maintain fund balance or net position equal to one to two years of expenditures/expenses.

**Cause**

Revenues are not sufficient to fund the current level of spending.

**Effect**

The Village is struggling to pay bills as they come due and to maintain its water and sewer systems.

**Recommendation**

We recommend that management and the Board continue to explore options to increase revenues and/or decrease expenditures/expenses. Water and sewer rates must be sufficient to operate, maintain, repair, and update the systems. Management should contact the Louisiana Rural Water Association for assistance in evaluating water and sewer rates and to register for available system management training.

**Corrective Action Plan**

We will implement the accountant's recommendation.

VILLAGE OF COLLINSTON  
COLLINSTON, LOUISIANA

SCHEDULE OF FINDINGS  
FOR THE TWO YEARS ENDED DECEMBER 31, 2018 AND 2017

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*Prior Year*

**2016-001 Funding Requirements of Loan Resolutions**

**Current Status**

The finding is repeated as 2018-001.

**2016-002 Report Submitted Late**

**Current Status**

The finding is repeated as 2018-002.

**2016-003 Payroll Posting Errors**

**Current Status**

The finding is repeated as 2018-003.

**2016-004 Payroll Tax Returns and Payments Filed Late**

**Current Status**

The finding is repeated as 2018-004.