

CITY OF VILLE PLATTE, LOUISIANA

Financial Report

Year Ended June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

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The Honorable Jennifer Vidrine, Mayor,
and Members of the Board of Aldermen
City of Ville Platte, Louisiana

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ville Platte, Louisiana (City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ville Platte, Louisiana, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information, the schedule of changes in total OPEB liability and related ratios, employer's share of net pension liability, and employer contributions (pages 49-55) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other financial information and supplemental information (pages 59-74) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The financial data schedules (pages 85-86) are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and is also not a required part of the basic financial statements.

The nonmajor governmental fund statements and other financial information (pages 67-71), and the financial data schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the nonmajor governmental funds, other financial information, and financial data schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison schedules (pages 59-65) and other supplemental information (pages 73-74) have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
November 12, 2019

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

CITY OF VILLE PLATTE, LOUISIANA

Statement of Net Position
June 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and interest-bearing deposits	\$ 4,517,118	\$ 260,493	\$ 4,777,611
Receivables, net	115,711	492,532	608,243
Due from other governmental units	82,975	-	82,975
Inventories, at cost	-	24,822	24,822
Restricted assets:			
Cash and interest-bearing deposits	-	1,391,306	1,391,306
Capital assets, net	<u>7,150,016</u>	<u>19,555,299</u>	<u>26,705,315</u>
Total assets	<u>11,865,820</u>	<u>21,724,452</u>	<u>33,590,272</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plans	1,655,717	332,413	1,988,130
Other postemployment benefit obligation	<u>105,757</u>	<u>31,860</u>	<u>137,617</u>
Total deferred outflows of resources	<u>1,761,474</u>	<u>364,273</u>	<u>2,125,747</u>
LIABILITIES			
Accounts and other payables	235,924	136,749	372,673
Internal balances	912	(912)	-
Customers deposits payable	-	473,001	473,001
Accrued interest	-	47,737	47,737
Long-term liabilities:			
Portion due within one year -			
Capital lease payable	82,956	54,474	137,430
Bonds payable	-	608,000	608,000
Portion due after one year -			
Compensated absences payable	307,741	86,489	394,230
Capital lease payable	194,554	173,508	368,062
Bonds payable	-	9,290,000	9,290,000
OPEB liability	979,127	296,210	1,275,337
Net pension liability	<u>5,760,679</u>	<u>1,143,652</u>	<u>6,904,331</u>
Total liabilities	<u>7,561,893</u>	<u>12,308,908</u>	<u>19,870,801</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plans	577,455	76,430	653,885
Other postemployment benefit obligation	<u>8,215</u>	<u>2,494</u>	<u>10,709</u>
Total deferred inflows of resources	<u>585,670</u>	<u>78,924</u>	<u>664,594</u>
NET POSITION			
Net investment in capital assets	6,872,506	10,091,806	16,964,312
Restricted for sales tax dedications	928,159	-	928,159
Restricted for street and drainage	2,117,277	-	2,117,277
Restricted for debt service	-	315,795	315,795
Restricted for water fund operations	-	18,185	18,185
Unrestricted (deficit)	<u>(4,438,211)</u>	<u>(724,893)</u>	<u>(5,163,104)</u>
Total net position	<u>\$ 5,479,731</u>	<u>\$ 9,700,893</u>	<u>\$ 15,180,624</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2019

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 2,175,643	\$ 389,109	\$ 324,271	\$ (1,462,263)	\$ -	\$ (1,462,263)
Public safety:						
Police	2,317,339	44,555	100,857	(2,171,927)	-	(2,171,927)
Fire	1,199,081	-	352,790	(846,291)	-	(846,291)
Streets	920,558	-	14,950	(905,608)	-	(905,608)
Culture and recreation	483,970	-	-	(483,970)	-	(483,970)
Interest on long-term debt	11,527	-	-	(11,527)	-	(11,527)
Total governmental activities	<u>7,108,118</u>	<u>433,664</u>	<u>792,868</u>	<u>(5,881,586)</u>	<u>-</u>	<u>(5,881,586)</u>
Business-type activities:						
Gas	1,612,906	1,720,028	20,346	-	127,468	127,468
Water	2,496,381	1,406,677	-	-	(1,089,704)	(1,089,704)
Sewer	938,928	796,509	-	-	(142,419)	(142,419)
Housing assistance	662,572	-	665,248	-	2,676	2,676
Total business-type activities	<u>5,710,787</u>	<u>3,923,214</u>	<u>685,594</u>	<u>-</u>	<u>(1,101,979)</u>	<u>(1,101,979)</u>
Total	<u>\$ 12,818,905</u>	<u>\$ 4,356,878</u>	<u>\$ 1,478,462</u>	<u>(5,881,586)</u>	<u>(1,101,979)</u>	<u>(6,983,565)</u>

General revenues:

Taxes -			
Property taxes, levied for general purposes	718,778	514,918	1,233,696
Sales and use taxes, levied for general purposes	2,835,035	-	2,835,035
Payment in lieu of taxes	357,569	-	357,569
Franchise and chain store taxes	374,917	-	374,917
Grants and contributions not restricted to specific programs -			
State sources	18,789	-	18,789
Non-employer pension contribution	140,756	15,609	156,365
Interest and investment earnings	8,296	1,643	9,939
Miscellaneous	315,505	-	315,505
Transfers	<u>337,875</u>	<u>(337,875)</u>	<u>-</u>
Total general revenues and transfers	<u>5,107,520</u>	<u>194,295</u>	<u>5,301,815</u>
Change in net position	(774,066)	(907,684)	(1,681,750)
Net position - July 1, 2018	<u>6,253,797</u>	<u>10,608,577</u>	<u>16,862,374</u>
Net position - June 30, 2019	<u>\$ 5,479,731</u>	<u>\$ 9,700,893</u>	<u>\$ 15,180,624</u>

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

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

1975 Sales Tax Fund

To account for the receipt and use of proceeds of the City's 1975 one percent sales and use tax. These taxes are dedicated to the following purposes: paying bonds; constructing, acquiring, improving and maintaining police and fire department stations and equipment; streets, sidewalks, and drainage facilities; sewer and sewerage disposal works; park and pool facilities; compensating firemen and policemen; and operating and maintaining the waterworks system.

1984 Sales Tax Fund

To account for the receipt and use of proceeds of the City's 1984 one percent sales and use tax. These taxes are dedicated to the following purposes: constructing, acquiring, extending, improving, operating and/or maintaining sewers and sewerage disposal works, and at least five percent of such tax annually for constructing, extending, improving and/or maintaining streets and sidewalks; constructing, improving and maintaining public buildings; including the purchase and acquisition of the necessary land, equipment and furnishings for the aforesaid; after making provision for annual debt service on bonds, which may be issued for the aforementioned purposes.

City Court Fund

To account for the City's portion of City Court fine income and expenditures paid directly from the City's funds.

Enterprise Funds

Utility Fund

To account for the provision of gas, water, and sewerage services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Section 8 Housing Program

To account for administration of grant funds received from the U.S. Department of Housing and Urban Development to provide rental assistance to qualified low income individuals.

CITY OF VILLE PLATTE, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	1975 Sales Tax Special Revenue	1984 Sales Tax Special Revenue	City Court Special Revenue	Other Governmental Funds	Totals
ASSETS						
Cash and interest-bearing deposits	\$ 3,520,344	\$ 28,453	\$ 912,789	\$ 55,532	\$ -	\$ 4,517,118
Receivables:						
Taxes	23,387	-	-	-	-	23,387
Other	91,470	-	-	854	-	92,324
Due from other funds	98	-	-	-	-	98
Due from other governmental units	72,166	-	-	10,809	-	82,975
Total assets	<u>\$ 3,707,465</u>	<u>\$ 28,453</u>	<u>\$ 912,789</u>	<u>\$ 67,195</u>	<u>\$ -</u>	<u>\$ 4,715,902</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 88,544	\$ 2,376	\$ 2,376	\$ 12,014	\$ -	\$ 105,310
Accrued liabilities	122,283	4,166	4,165	-	-	130,614
Due to other funds	912	-	-	98	-	1,010
Total liabilities	<u>211,739</u>	<u>6,542</u>	<u>6,541</u>	<u>12,112</u>	<u>-</u>	<u>236,934</u>
Fund balances:						
Restricted -						
Sales tax dedications	-	21,911	906,248	-	-	928,159
Street and drainage	2,117,277	-	-	-	-	2,117,277
Assigned -						
City Court operations	-	-	-	55,083	-	55,083
Unassigned	1,378,449	-	-	-	-	1,378,449
Total fund balances	<u>3,495,726</u>	<u>21,911</u>	<u>906,248</u>	<u>55,083</u>	<u>-</u>	<u>4,478,968</u>
Total liabilities and fund balances	<u>\$ 3,707,465</u>	<u>\$ 28,453</u>	<u>\$ 912,789</u>	<u>\$ 67,195</u>	<u>\$ -</u>	<u>\$ 4,715,902</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019

Total fund balances for governmental funds at June 30, 2019		\$ 4,478,968
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 676,415	
Buildings, net of \$3,859,187 accumulated depreciation	4,110,060	
Infrastructure, net of \$3,439,980 accumulated depreciation	1,869,132	
Equipment, furniture and fixtures, net of \$1,450,565 accumulated depreciation	389,657	
Improvements, net of \$265,599 accumulated depreciation	<u>104,752</u>	7,150,016
Deferred outflows of resources are not available resources, and therefore, are not reported in the funds:		
Pension plans	1,655,717	
OPEB	<u>105,757</u>	1,761,474
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:		
Capital leases payable	(277,510)	
Compensated absences payable	(307,741)	
OPEB liability	(979,127)	
Net pension liability	<u>(5,760,679)</u>	(7,325,057)
Deferred inflows of resources are not payable from current expendable resources, and therefore, are not reported in the funds:		
Pension plans	(577,455)	
OPEB	<u>(8,215)</u>	(585,670)
Net position at June 30, 2019		<u>\$ 5,479,731</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	1975 Sales Tax Special Revenue	1984 Sales Tax Special Revenue	City Court Special Revenue	Other Governmental Funds	Totals
Revenues:						
Taxes	\$ 1,451,264	\$ 1,417,518	\$ 1,417,517	\$ -	\$ -	\$ 4,286,299
Licenses and permits	389,109	-	-	-	-	389,109
Intergovernmental	652,005	-	-	159,652	-	811,657
Fines and forfeits	-	-	-	44,555	-	44,555
Miscellaneous	314,465	66	1,338	7,932	-	323,801
Total revenues	<u>2,806,843</u>	<u>1,417,584</u>	<u>1,418,855</u>	<u>212,139</u>	<u>-</u>	<u>5,855,421</u>
Expenditures:						
Current -						
General government	1,185,163	55,185	60,560	699,436	2	2,000,346
Public safety:						
Police	2,022,128	-	-	-	-	2,022,128
Fire	1,112,070	-	-	-	-	1,112,070
Streets and drainage	650,752	-	-	-	-	650,752
Culture and recreation	381,718	-	-	-	-	381,718
Capital outlay	144,584	-	-	-	-	144,584
Debt service -						
Principal retirement	106,822	-	-	4,456	-	111,278
Interest and fiscal charges	11,482	-	-	45	-	11,527
Total expenditures	<u>5,614,719</u>	<u>55,185</u>	<u>60,560</u>	<u>703,937</u>	<u>2</u>	<u>6,434,403</u>
Excess (deficiency) of revenues over expenditures	<u>(2,807,876)</u>	<u>1,362,399</u>	<u>1,358,295</u>	<u>(491,798)</u>	<u>(2)</u>	<u>(578,982)</u>
Other financing sources (uses):						
Transfers in	2,764,934	-	-	535,100	-	3,300,034
Transfers out	(100)	(1,348,001)	(1,525,964)	-	(88,094)	(2,962,159)
Total other financing sources (uses)	<u>2,764,834</u>	<u>(1,348,001)</u>	<u>(1,525,964)</u>	<u>535,100</u>	<u>(88,094)</u>	<u>337,875</u>
Net changes in fund balances	(43,042)	14,398	(167,669)	43,302	(88,096)	(241,107)
Fund balances, beginning	<u>3,538,768</u>	<u>7,513</u>	<u>1,073,917</u>	<u>11,781</u>	<u>88,096</u>	<u>4,720,075</u>
Fund balances, ending	<u>\$ 3,495,726</u>	<u>\$ 21,911</u>	<u>\$ 906,248</u>	<u>\$ 55,083</u>	<u>\$ -</u>	<u>\$ 4,478,968</u>

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

CITY OF VILLE PLATTE, 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, 2019

Total net change in fund balances for the year ended June 30, 2019 per statement of revenues, expenditures and changes in fund balances			\$ (241,107)
The change in net position reported for governmental activities in the statement of activities is different because:			
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.			
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances	\$ 115,606		
Depreciation expense	<u>(557,095)</u>	(441,489)	
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position			
Capital lease principal payments			109,216
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Increase in compensated absences	(26,358)		
Increase in OPEB obligation payable	<u>(119,278)</u>	(145,636)	
Pension (expense) benefit not requiring the use of current economic resources and therefore, not recorded as a fund expenditure			(237,933)
Nonemployer's contributions to the municipal, police and fire employees pension plan			140,756
OPEB (expense) benefit not requiring the use of current economic resources and therefore, not recorded as a fund expenditure			<u>42,127</u>
Change in net position for the year ended June 30, 2019 per statement of activities			<u>\$ (774,066)</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Statement of Net Position
Proprietary Funds - Enterprise Funds
June 30, 2019

	Utility Fund	Section 8 Housing Program	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 203,303	\$ 57,190	\$ 260,493
Receivables:			
Accounts, net of allowance for bad debt	327,167	-	327,167
Unbilled utility receivables	146,240	-	146,240
Ad valorem tax	16,695	-	16,695
Other	2,430	-	2,430
Due from other funds	912	-	912
Inventory - materials and supplies, at cost	24,822	-	24,822
Total current assets	<u>721,569</u>	<u>57,190</u>	<u>778,759</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	1,391,306	-	1,391,306
Capital assets, net of accumulated depreciation	19,555,299	-	19,555,299
Total noncurrent assets	<u>20,946,605</u>	<u>-</u>	<u>20,946,605</u>
Total assets	<u>21,668,174</u>	<u>57,190</u>	<u>21,725,364</u>
Deferred outflows of resources:			
Pension plans	290,678	41,735	332,413
Other postemployment benefit obligation	31,860	-	31,860
Total deferred outflows of resources	<u>322,538</u>	<u>41,735</u>	<u>364,273</u>
LIABILITIES			
Current liabilities:			
Accounts payable	72,408	-	72,408
Accrued liabilities	64,341	-	64,341
Capital lease payable	54,474	-	54,474
Payable from restricted assets -			
Customers' deposits	473,001	-	473,001
Revenue bonds	608,000	-	608,000
Accrued interest payable	47,737	-	47,737
Total current liabilities	<u>1,319,961</u>	<u>-</u>	<u>1,319,961</u>
Noncurrent liabilities:			
Compensated absences payable	86,489	-	86,489
OPEB obligation	296,210	-	296,210
Net pension liability	999,060	144,592	1,143,652
Capital lease payable	173,508	-	173,508
Revenue bonds payable	9,290,000	-	9,290,000
Total noncurrent liabilities	<u>10,845,267</u>	<u>144,592</u>	<u>10,989,859</u>
Total liabilities	<u>12,165,228</u>	<u>144,592</u>	<u>12,309,820</u>
Deferred inflows of resources:			
Pension plans	66,649	9,781	76,430
Other postemployment benefit obligation	2,494	-	2,494
Total deferred inflows of resources	<u>69,143</u>	<u>9,781</u>	<u>78,924</u>
NET POSITION			
Net investment in capital assets	10,091,806	-	10,091,806
Restricted for debt service	315,795	-	315,795
Restricted for water fund operations	18,185	-	18,185
Unrestricted	(669,445)	(55,448)	(724,893)
Total net position	<u>\$ 9,756,341</u>	<u>\$ (55,448)</u>	<u>\$ 9,700,893</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds - Enterprise Funds
For the Year Ended June 30, 2019

	Utility Fund	Section 8 Housing Program	Total
Operating revenues:			
Charges for services	\$ 3,627,876	\$ -	\$ 3,627,876
Connection and inspection fees	76,873	-	76,873
Federal grants	-	659,257	659,257
Other revenue	<u>218,465</u>	<u>5,991</u>	<u>224,456</u>
Total operating revenues	<u>3,923,214</u>	<u>665,248</u>	<u>4,588,462</u>
Operating expenses:			
Gas department expenses	1,546,799	-	1,546,799
Water department expenses	982,435	-	982,435
Sewerage department expenses	623,307	-	623,307
Housing assistance expenses	-	662,572	662,572
Depreciation expense	<u>1,539,192</u>	<u>-</u>	<u>1,539,192</u>
Total operating expenses	<u>4,691,733</u>	<u>662,572</u>	<u>5,354,305</u>
Operating income (loss)	<u>(768,519)</u>	<u>2,676</u>	<u>(765,843)</u>
Nonoperating revenues (expenses):			
Nonemployer pension contribution	13,630	1,979	15,609
Interest income	1,584	59	1,643
Ad valorem taxes	514,918	-	514,918
State grant	20,346	-	20,346
Interest expense	(304,096)	-	(304,096)
Paying agent fees	<u>(52,386)</u>	<u>-</u>	<u>(52,386)</u>
Total nonoperating revenues (expenses)	<u>193,996</u>	<u>2,038</u>	<u>196,034</u>
Income (loss) before transfers	<u>(574,523)</u>	<u>4,714</u>	<u>(569,809)</u>
Transfers in (out):			
Transfers in	1,002,291	-	1,002,291
Transfers out	<u>(1,340,166)</u>	<u>-</u>	<u>(1,340,166)</u>
Total transfers in (out)	<u>(337,875)</u>	<u>-</u>	<u>(337,875)</u>
Change in net position	(912,398)	4,714	(907,684)
Net position (deficit), beginning	<u>10,668,739</u>	<u>(60,162)</u>	<u>10,608,577</u>
Net position (deficit), ending	<u>\$ 9,756,341</u>	<u>\$ (55,448)</u>	<u>\$ 9,700,893</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Utility Fund	Section 8 Housing Program	Total
Cash flows from operating activities:			
Receipts from customers	\$ 3,770,049	\$ -	\$ 3,770,049
Operating grant	-	659,257	659,257
Payments to suppliers	(2,458,025)	(17,892)	(2,475,917)
Payments to landlords/tenants	-	(567,689)	(567,689)
Payments to employees	(666,266)	(72,702)	(738,968)
Other receipts	218,465	5,991	224,456
Net cash provided by operating activities	864,223	6,965	871,188
Cash flows from noncapital financing activities:			
Cash paid to other funds	(912)	-	(912)
Ad valorem taxes	514,918	-	514,918
State grant	20,346	-	20,346
Change in meter deposits	(1,375)	-	(1,375)
Transfers from other funds	1,002,291	-	1,002,291
Transfers to other funds	(1,340,166)	-	(1,340,166)
Net cash provided by noncapital financing activities	195,102	-	195,102
Cash flows from capital and related financing activities:			
Principal paid on revenue bonds	(589,000)	-	(589,000)
Interest and fiscal charges	(359,335)	-	(359,335)
Principal paid on capital lease	(52,849)	-	(52,849)
Acquisition of capital assets	(668,796)	-	(668,796)
Net cash used by capital and related financing activities	(1,669,980)	-	(1,669,980)
Cash flows from investing activities:			
Interest on investments	1,584	59	1,643
Net increase (decrease) in cash and cash equivalents	(609,071)	7,024	(602,047)
Cash and cash equivalents, beginning of period	2,203,680	50,166	2,253,846
Cash and cash equivalents, end of period	\$ 1,594,609	\$ 57,190	\$ 1,651,799

(continued)

CITY OF VILLE PLATTE, LOUISIANA

Statement of Cash Flows
Proprietary Funds (Continued)
For the Year Ended June 30, 2019

	Utility Fund	Section 8 Housing Program	Total
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (768,519)	\$ 2,676	\$ (765,843)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	1,539,192	-	1,539,192
Provision for bad debt	65,537	-	65,537
Pension expense	29,535	4,289	33,824
OPEB expense	23,019	-	23,019
Changes in current assets and liabilities:			
Accounts receivable	(59,808)	-	(59,808)
Unbilled utility receivables	(19,965)	-	(19,965)
Other receivables	(2,430)	-	(2,430)
Due from other governmental units	35,193	-	35,193
Prepaid items	19,992	-	19,992
Accounts payable	10,571	-	10,571
Accrued liabilities	931	-	931
Compensated absences payable	(9,025)	-	(9,025)
Net cash provided by operating activities	<u>\$ 864,223</u>	<u>\$ 6,965</u>	<u>\$ 871,188</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position:			
Cash and cash equivalents, beginning of period -			
Cash and interest-bearing deposits - unrestricted	\$ 705,988	\$ 50,166	\$ 756,154
Cash and interest-bearing deposits - restricted	<u>1,497,692</u>	<u>-</u>	<u>1,497,692</u>
Total cash and cash equivalents	<u>2,203,680</u>	<u>50,166</u>	<u>2,253,846</u>
Cash and cash equivalents, end of period -			
Cash and interest-bearing deposits - unrestricted	131,891	57,190	189,081
Cash and interest-bearing deposits - restricted	<u>1,462,718</u>	<u>-</u>	<u>1,462,718</u>
Total cash and cash equivalents	<u>1,594,609</u>	<u>57,190</u>	<u>1,651,799</u>
Net increase (decrease)	<u>\$ (609,071)</u>	<u>\$ 7,024</u>	<u>\$ (602,047)</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Ville Platte (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The City was incorporated under the provisions of the Lawrason Act. The City operates under a Mayor-Board of Aldermen form of government and provides the following services: public safety, highway and streets, water, gas and sewer services, culture and recreation, and general administrative services.

This report includes all funds and activities that are controlled by the City as an independent political subdivision of the State of Louisiana. There are no component units required to be reported in conformity with generally accepted accounting principles.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the City of Ville Platte, the primary government, as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund financial statements report detailed information about the City.

The various funds of the City are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the City are described below:

Governmental Funds -

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The 1975 Sales Tax Special Revenue Fund accounts for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

The 1984 Sales Tax Special Revenue Fund accounts for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

The City Court Special Revenue Fund accounts for the City's portion of City Court fine income and expenditures paid directly from the City's funds.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Proprietary Funds -

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. The City's proprietary fund types are enterprise funds.

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City's enterprise funds are the Utility Fund and Section 8 Housing Program.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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. An exception to this is grants collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the City's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the City's general revenues.

Allocation of indirect expenses

The City reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund statement of cash flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include franchise taxes and state or federal grants. Business-type activities report customer’s utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2019, an allowance for ad valorem taxes was considered unnecessary due to immateriality. The allowance for uncollectibles for customers’ utility receivables was \$438,079 at June 30, 2019. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Inventories

Inventory of the Utility Fund consists of supplies and parts that are valued at lower of cost (first-in, first-out) or market.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The City maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2002, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Compensated Absences

Municipal employees hired before June 30, 2000, earn sick leave at a rate of fourteen hours per month. Municipal employees hired after June 30, 2000 earn sick leave at a rate of 2.77 hours per pay period. Vacation leave is earned as follows:

	Employees of		
	Other Departments	Police	Fire
1 - 4 years services	10 days	10 days	5 days
5 - 9 years service	15 days	15 days	7 days
10 or more years services	20 days	20 days	10 days

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Sick leave accumulates and is available for employees when needed, however, it does not vest nor is it payable at termination of employment. Vacation leave is earned over a calendar year basis. Municipal employees may not carry over or accumulate more than thirty days of vacation leave from one employment anniversary date to another. Police and fire department employees may not carry over vacation leave.

For fund financial statements, vested or accumulated sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current fund liability of the governmental fund that will pay it. In the government-wide statements, amounts of vested or accumulated sick leave that are not expected to be liquidated with expendable available financial resources are recorded as long-term liabilities.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of revenue bonds payable, capital leases, and compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

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. At June 30, 2019, the City's deferred outflows and inflows of resources are attributable to its pension plans and other post-employment benefits.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. 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 legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. At June 30, 2019, the City reported \$3,379,416 of restricted net position, \$928,159 of which was restricted by enabling legislation.
- c. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows.

- a. 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.
- b. 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 the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the City’s Mayor and Board of Aldermen, which is the highest level of decision-making authority for the City.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City’s adopted policy, only the Board of Aldermen may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in his commitment or assignment actions.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Enterprise Fund equity at the fund level is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions on Use</u>
Sales tax	See Note 8
Gas, water and sewer revenue	Debt service and utility operations

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

G. Use of Estimates

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

H. Capitalization of Interest Expense

It is the policy of the City of Ville Platte to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At June 30, 2019, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

(2) Cash and Interest-Bearing Deposits

Under state law, the City 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 City 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, 2019, the City has cash and interest-bearing deposits (book balances) totaling \$6,168,917 as follows:

Demand deposits (interest and non-interest bearing)	<u>\$6,168,917</u>
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Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. 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 similar federal security 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 bank. 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. Deposit balances (bank balances) at June 30, 2019, were secured as follows:

Bank balances	<u>\$ 6,679,742</u>
Federal deposit insurance	\$ 563,350
Pledged securities	<u>6,116,392</u>
Total	<u>\$ 6,679,742</u>

Deposits in the amount of \$6,116,392 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the City's name. The City does not have a policy for custodial credit risk.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Receivables

Receivables at June 30, 2019 of \$608,243 consist of the following:

	Governmental Activities	Business-type Activities	Total
Accounts, net	\$ -	\$ 327,167	\$ 327,167
Unbilled utility	-	146,240	146,240
Ad valorem taxes	23,387	16,695	40,082
Franchise tax	83,811	-	83,811
Other	8,513	2,430	10,943
Totals	<u>\$ 115,711</u>	<u>\$ 492,532</u>	<u>\$ 608,243</u>

(4) Due from Other Governmental Units

Amounts due from other governmental units consisted of the following at June 30, 2019:

Governmental Activities:

Evangeline Parish Ward One Fire District No. 2 for fire protection services	\$ 20,595
Fire Insurance Rebate	35,503
State of Louisiana Inmate Housing	3,575
State of Louisiana Highway Maintenance	7,475
State of Louisiana for beer tax	5,018
Fines and forfeits	3,675
Salaries reimbursement	7,134
Total governmental activities	<u>\$ 82,975</u>

(5) Restricted Assets - Proprietary Fund Type (Enterprise Utility Fund)

Restricted assets consisted of the following at June 30, 2019:

Bond and interest sinking fund	\$ 156,687
Bond reserve fund	443,434
Renewal and replacement fund	300,000
Customers' deposits	473,001
Phase II water construction	15
Water improvement taxes	18,169
	<u>\$ 1,391,306</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 676,415	\$ -	\$ -	\$ 676,415
Other capital assets:				
Buildings	7,969,247	-	-	7,969,247
Infrastructure	5,309,112	-	-	5,309,112
Equipment, furniture and fixtures	1,724,616	115,606	-	1,840,222
Improvements other than buildings	370,351	-	-	370,351
Totals	16,049,741	115,606	-	16,165,347
Less accumulated depreciation				
Buildings	3,659,521	199,666	-	3,859,187
Infrastructure	3,230,772	209,208	-	3,439,980
Equipment, furniture and fixtures	1,315,216	135,349	-	1,450,565
Improvements other than buildings	252,727	12,872	-	265,599
Total accumulated depreciation	8,458,236	557,095	-	9,015,331
Governmental activities, capitals assets, net	<u>\$ 7,591,505</u>	<u>\$ (441,489)</u>	<u>\$ -</u>	<u>\$ 7,150,016</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 101,325	\$ -	\$ -	\$ 101,325
Other capital assets:				
Gas system	3,926,868	-	-	3,926,868
Water system	23,682,602	-	-	23,682,602
Sewer system	12,507,683	-	-	12,507,683
Machinery and equipment	396,971	279,624	-	676,595
Totals	40,615,449	279,624	-	40,895,073
Less accumulated depreciation				
Gas system	3,738,637	59,033	-	3,797,670
Water system	9,102,359	1,122,919	-	10,225,278
Sewer system	6,625,155	300,337	-	6,925,492
Machinery and equipment	334,431	56,903	-	391,334
Total accumulated depreciation	19,800,582	1,539,192	-	21,339,774
Business-type activities, capital assets, net	<u>\$ 20,814,867</u>	<u>\$ (1,259,568)</u>	<u>\$ -</u>	<u>\$ 19,555,299</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 68,377
Public safety:	
Police	134,614
Fire	25,329
Streets	258,822
Culture and recreation	<u>69,953</u>
Total depreciation expense	<u>\$ 557,095</u>

Depreciation expense was charged to business-type activities as follows:

Gas	\$ 66,107
Water	1,157,464
Sewer	<u>315,621</u>
Total depreciation expense	<u>\$ 1,539,192</u>

(7) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The City bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended June 30, 2019, taxes of 35.22 mills were levied on property with assessed valuations totaling \$35,629,370 and were dedicated as follows:

General and corporate purposes	6.86	mills
Street and drainage maintenance	9.76	mills
Police and fire	3.93	mills
Water system	<u>14.67</u>	mills
Total	<u>35.22</u>	mills

Total taxes levied were \$1,254,877. Taxes receivable at June 30, 2019 were \$40,082.

(8) Dedication of Proceeds and Flow of Funds - 1 Percent Sales and Use Tax

A one percent sales and use tax levied by the City in 1975 (2019 collections \$1,417,518) is dedicated to the following purposes:

Paying bonds; constructing, acquiring, improving and maintaining police and fire department stations and equipment; streets, sidewalks, and drainage facilities; sewer and sewerage disposal works; park and pool facilities; compensating firemen and policemen; and operating and maintaining the waterworks system.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

A one percent sales and use tax levied by the City beginning in 1984 (2019 collections \$1,418,517) is dedicated to these purposes:

Paying debt service on outstanding bonds; constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal works; with at least 5 percent of the tax proceeds annually for constructing, improving and maintaining city streets and sidewalks; constructing, improving and maintaining public buildings; and acquiring the necessary land, equipment and furnishings for the aforesaid.

(9) Accounts, Salaries, and Other Payables

The accounts and other payables consisted of the following at June 30, 2019:

	Governmental Activities	Business-type Activities	Total
Accounts	\$ 105,310	\$ 72,408	\$ 177,718
Other liabilities	<u>130,614</u>	<u>64,341</u>	<u>194,955</u>
Totals	<u>\$ 235,924</u>	<u>\$ 136,749</u>	<u>\$ 372,673</u>

(10) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions for the year ended June 30, 2019:

	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019	Amount due in one year
Governmental activities:					
Capital leases	\$ 386,726	\$ -	\$ 109,216	\$ 277,510	\$ 82,956
Compensated absences	<u>281,383</u>	<u>26,358</u>	<u>-</u>	<u>307,741</u>	<u>-</u>
Total	<u>\$ 668,109</u>	<u>\$ 26,358</u>	<u>\$ 109,216</u>	<u>\$ 585,251</u>	<u>\$ 82,956</u>
Business-type activities:					
Revenue bonds	\$ 10,487,000	\$ -	\$ 589,000	\$ 9,898,000	\$ 608,000
Capital leases	280,831	-	52,849	227,982	54,474
Compensated absences	<u>95,514</u>	<u>-</u>	<u>9,025</u>	<u>86,489</u>	<u>-</u>
Total	<u>\$ 10,863,345</u>	<u>\$ -</u>	<u>\$ 650,874</u>	<u>\$ 10,212,471</u>	<u>\$ 662,474</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The revenue bonds are liquidated by the Utility Proprietary Fund. Capital leases are liquidated by the General Fund and Utility Fund. Compensated absences are generally liquidated by the General Fund and Utility Fund.

Bonds payable at June 30, 2019 are comprised of the following individual issues:

Revenue bonds:

\$2,000,000 Utilities Revenue Bonds, Series 2010A, of which 50% of the principal of the bonds have been forgiven simultaneously with payments by the Department of Health & Hospitals. At the time of the debt forgiveness, these amounts were recognized as grant revenue. The remaining \$1,000,000 revenue bonds are due in annual installments of \$58,000 - \$79,000 through May 1, 2029; interest at 2.95 percent; secured by Utility Fund revenues and ad valorem taxes of 14.67 mills.	\$ 681,000
\$2,050,000 Utilities Revenue Bonds, Series 2010B, due in annual installments of \$120,000 - \$162,000 through May 1, 2029; interest at 2.95 percent; secured by Utility Fund revenues and ad valorem taxes of 14.67 mills.	1,400,000
\$9,450,000 Utilities Revenue Bonds, Series 2012, of which \$1,125,000 of the principal of the bonds have been forgiven simultaneously with payments by the Department of Health & Hospitals. At the time of the debt forgiveness, these amounts were recognized as grant revenue. The remaining \$8,248,000 revenue bonds are due in annual installments of \$385,000 - \$599,000 through May 1, 2033; interest at 2.95 percent; secured by Utility Fund revenues and ad valorem taxes of 14.67 mills.	6,787,000
\$1,000,000 Utilities Revenue Bonds, Series 2017, due in annual installments of \$45,000 - \$69,000 through May 1, 2037; interest at 2.45%; secured by Utility Fund revenues and ad valorem taxes of 14.67 mills.	<u>1,030,000</u>
	<u><u>\$ 9,898,000</u></u>

The bonds are due as follows:

Year ending June 30,	Business-type Activities	
	Principal	Interest
2020	\$ 608,000	\$ 286,425
2021	630,000	268,713
2022	650,000	250,364
2023	673,000	231,428
2024	695,000	211,820
2025-2029	3,842,000	741,283
2030-2034	2,582,000	218,198
2035-2037	218,000	9,947
	<u><u>\$9,898,000</u></u>	<u><u>\$2,218,178</u></u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's governmental activities column of the statement of net position. As of June 30, 2019, there remained a balance of \$565,000 of defeased sales tax bonds, which were removed from the statement of net position.

The City is obligated under two capital leases. The leased assets were recorded in capital assets at a cost of \$944,236 with accumulated depreciation at June 30, 2019 in the amount of \$326,219 and the applicable debt recorded in long-term debt. The following is a schedule of future minimum lease payments under the lease and the present value of the net minimum lease payments at June 30, 2019.

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
2020	\$ 91,019	\$ 61,380	\$ 152,399
2021	68,825	61,380	130,205
2022	68,825	61,380	130,205
2023	68,826	61,380	130,206
Total minimum lease payments	297,495	245,520	543,015
Less amount representing interest	(19,985)	(17,538)	(37,523)
Present value of minimum lease payments	<u>\$ 277,510</u>	<u>\$ 227,982</u>	<u>\$ 505,492</u>

(11) Flow of Funds; Restrictions on Use - Utilities Revenues

Under the terms of the \$2,000,000 Utilities Revenue Bonds Series 2010A, \$2,050,000 Utilities Revenue Bonds Series 2010B, \$9,450,000 Utilities Revenue Bonds Series 2012, and \$1,100,000 Utilities Revenue Bonds Series 2017 bond indentures, all income and revenues of every nature derived from the operation of the system are pledged and dedicated to the retirement of said bonds as well as the pledge of a 14.67 mills ad valorem tax for the 2010, 2012 and 2017 issues.

Bond and Interest Sinking Fund -

The City is required to set aside into a Utilities Revenue Bond Sinking Fund each month a sum equal to 1/6 of the interest falling due on the next interest payment date plus 1/12 of the principal falling due on the next principal payment date. Funds deposited in this account are available only for the retirement of maturing bonds and interest.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Reserve Fund –

The Utilities Revenue Bond Reserve Fund is maintained solely for the purpose of paying the principal of and the interest on bonds payable from the sinking fund as to which there would otherwise be default. The fund is required to be funded in an amount equal to the reserve fund requirement (\$443,434 at June 30, 2019).

Capital Additions and Contingencies Fund -

The Utilities System Capital Additions and Contingencies Fund (Renewal and Replacement Fund) was established to care for extensions, additions, improvements, renewals, and replacements necessary to properly operate the system and to pay the principal of and the interest on the bonds, including any additional pari passu bonds issued hereafter in the manner provided by the bond resolution, for the payment of which there is not sufficient money in the sinking or reserve funds.

The maximum required balance of \$300,000 was deposited when the bonds were sold. The money in the fund shall never be used for the making of such extensions, additions, improvements, renewals and replacements if such use of said money will leave less than the sum of \$50,000. In the event that the City utilizes any monies in the fund so that the balance falls below \$300,000, a monthly deposit of 5 percent of the gross revenues of the system (excluding revenues derived from fuel adjustments) must be made until there is again on deposit the sum of \$300,000.

(12) On-behalf Payments for Salaries

The City of Ville Platte receives on-behalf payments from the State of Louisiana for police, fire and city marshal salaries. On-behalf payments to the City totaled \$197,065 for the fiscal year end June 30, 2019. Such payments are recorded as intergovernmental revenues and as public safety and general government expenditures in the government-wide and General Fund and City Court Fund financial statements.

(13) Pension Plans

For purposes of measuring the net pension/asset, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems, and additions to/deductions from the Systems fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The City of Ville Platte participates in four cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature. These plans are not closed to new entrants. Substantially all City employees participate in one of the following retirement systems:

Plan Descriptions:

Municipal Employees' Retirement System (MERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1731. The City participates in Plan A.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

State of Louisiana - Municipal Police Employees' Retirement System (MPERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:2211 - 11:2233.

State of Louisiana – Firefighters' Retirement System (FRS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:2251-2272.

Louisiana State Employees' Retirement System (LASERS) provides retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in the Louisiana Revised Statutes. The age and years of creditable service required in order for a member to receive retirement benefits are established by LRS 11:401 and vary depending on the member's hire date, employer and job classification.

The systems' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year collected by the tax collector.

A brief summary of eligibility and benefits of the plans are provided in the following table:

	MERS	MPERS	FRS	LASERS
Final average salary	Highest 60 months	Highest 36 months or 60 months ²	Highest 36 months	Highest 36 months or 60 months ⁵
Years of service required and/or age eligible for benefits	25 years of any age 10 years age 60 20 years any age ¹ 10 years age 62 ²	25 years of any age 20 years age 50 12 years age 55 20 years any age ¹ 30 years any age ³ 25 years age 55 ³ 10 years age 60 ³	25 years of any age 20 years age 50 12 years age 55	20 years of any age ¹ 5 years age 60 ⁶
Benefit percent per years of service	3.00%	2.50 - 3.33% ⁴	3.33%	2.5% - 3.5% ⁷

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

³ Under non hazardous duty sub plan commencing January 1, 2013

⁴ Membership commencing January 1, 2013 non hazardous duty plan 2.5%, hazardous duty plan 3.0%, membership prior to January 1, 2013 3.33%.

⁵ Employees hired after a certain date use the revised benefit calculation based on the highest 60 months of service

⁶ Five years of creditable service at age 62 if hired after 7/1/2015, for judges

⁷ Members in regular plan 2.5%, hazardous duty plan 3.33%, and judges 3.5%

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. In addition, MERS receives a percentage of ad valorem taxes and MPERS and FRS receives a percentage of insurance premium taxes collected by parishes. These entities are not participating employers in the pension systems and are considered to be nonemployer contributing entities. Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2019 for the defined benefit pension plans in which the primary government is a participating employer were as follows:

Plan	Active Member Contribution Percentage	Employer Contribution Percentage	Amount from Nonemployer Contributing Entities	Amount of Government Contributions
MERS	9.50%	26.00%	\$47,670	\$334,512
MPERS	10.00%	32.25%	\$54,033	\$219,790
FRS	10.00%	26.50%	\$54,662	\$141,912
LASERS	13.00%	39.00%	\$ -	\$22,983

Net Pension Liability

The City's net pension liability at June 30, 2019 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2018) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability for each of the plans in which it participates was based on the City's required contributions in proportion to total required contributions for all employers.

As of the most recent measurement date, the City's proportion for each plan and the change in proportion from the prior measurement date were as follows:

Plan	Proportionate Share of Net Pension Liability	Proportionate Share (%) of Net Pension Liability	Increase/(Decrease) from Prior Measurement Date
MERS	\$3,164,389	0.764220%	-0.017531%
MPERS	2,314,823	0.273812%	-0.013269%
FRS	1,211,451	0.210611%	0.010408%
LASERS	213,668	0.003130%	-0.000170%
Total	<u>\$6,904,331</u>		

Since the measurement date of the net pension liability was June 30, 2018, the net pension liability is based upon fiduciary net position for each of the plans as of that date. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial reports for fiscal year 2018. The financial report for each plan may be accessed on their website as follows:

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

MERS - <http://www.mersla.com/>
 MPERS - <http://lampers.org/>

FRS - <http://www.lafirefightersret.com/>
 LASERS - <http://www.laseronline.org/>

The City's payables at June 30, 2019 to each system, which were the legally required contributions owed for the 2nd quarter of the 2019 calendar year, were as follows:

MERS	\$ 34,741
MPERS	17,137
FRS	14,947
LSERS	<u>2,330</u>
	<u>\$ 69,155</u>

Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the City is a participating employer:

	MERS	MPERS	FRS	LASERS
Date of experience study on which significant assumptions are based	7/1/2009 - 6/30/2014	7/1/2009 - 6/30/2014	7/1/2009 - 6/30/2014	2009 - 2013
Expected remaining service lives	3	4	7	3
Inflation Rate	2.60%	2.60%	2.70%	2.75%
Projected salary increases	5.0%	4.25% - 9.75%	4.75% - 15.0%	2.80% - 14.3%
Projected benefit changes including COLAs	None	None	None	None
Source of mortality assumptions	(1), (2), (3)	(3), (4), (5)	(3), (6)	(7), (8)

- (1) RP-2000 Health Annuitant Table set forward 2 years for males and 1 year for females projected to 2028 using scale AA.
- (2) RP-2000 Disabled Lives Mortality Table set back 2 years for both males and females.
- (3) RP-2000 Disabled Lives Mortality Table for disabled annuitants set back 5 years for males and 3 years for females
- (4) RP-2000 Employee Table set back 4 years for males and set back 3 years for females for active members
- (5) RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table Projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries.
- (6) RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table Projected to 2031
- (7) RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015
- (8) RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Cost of Living Adjustments

The pension plans in which the City participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. COLAs may be granted to the state system (LASERS) if approved with a two-thirds vote of both houses of the Legislature, provided the plan meets certain statutory criteria related to the funded status and interest earnings.

Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide systems (MERS, MPERS, FRS) to grant a COLA, is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

Discount Rate

The discount rates used to measure the City's total pension liability for each plan and the significant assumptions used in the determination of the discount rate for each plan are as follows:

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>
Discount rate	7.275%	7.20%	7.30%	7.65%
Change in discount rate from prior valuation	-0.125%	-0.125%	-0.10%	-0.05%
Plan cash flow assumptions	(1)	(1)	(1)	(1)
Rates incorporated in the Discount Rate:				
Long-term Rate of Return	7.275%	7.20%	7.30%	7.65%
Periods applied	All	All	All	All
Municipal Bond Rate	N/A	N/A	N/A	N/A

*Plan Cash Flow Assumptions:

- 1) Plan member contributions will be made at the current contributions rates and sponsor contributions will be made at the actuarially determined rates.

The discount rates used to measure the City's total pension liability for each plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. The long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized for each plan in the following tables:

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Asset Class	MERS*		MPERS*	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	35%	1.50%	22%	0.46%
Equities	50%	2.20%	52%	3.58%
Alternative Investments	15%	0.60%	20%	1.07%
Other	-	-	6%	0.17%
Total	<u>100%</u>	<u>4.30%</u>	<u>100%</u>	<u>5.28%</u>
Inflation		<u>2.70%</u>		<u>2.75%</u>
Nominal return		<u>7.00%</u>		<u>8.03%</u>

Asset Class	FRS*		LASERS**	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	26%	1.76%	6%	-
Domestic Fixed Income	-	-	-	1.49%
International Fixed Income	-	-	10%	2.23%
Equities	10%	6.74%	-	-
Domestic Equity	22%	6.14%	23%	4.31%
International Equity	22%	7.46%	32%	5.26%
Global Tactical Asset Allocation	5%	4.31%	-	0.00%
Risk Parity	5%	4.89%	7%	4.96%
Alternative Investments	0%	13.11%	22%	7.67%
Other	10%	-	-	-0.48%
Total	<u>100%</u>		<u>100%</u>	

* Arithmetic real rates of return

**Geometric real rates of return

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2019, the City recognized \$990,954 in pension expense related to all defined benefit plans in which it participates. MERS recognized revenues for ad valorem taxes and MPERS and FRS recognized revenues for insurance premium taxes, collected from non-employee contributing entities. The pension expense and revenues are summarized by plan in the following table:

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Plan	Pension Expense	Revenues
MERS	\$ 437,811	\$ 47,670
MPERS	356,323	54,033
FRS	191,172	54,662
LASERS	5,648	-
	<u>\$ 990,954</u>	<u>\$ 156,365</u>

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 10,435	\$ 325,400
Change of assumptions	333,215	126,991
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	247,849	201,494
Net differences between projected and actual earnings on plan investments	677,434	-
Contributions subsequent to the measurement date	719,197	-
Total	<u>\$ 1,988,130</u>	<u>\$ 653,885</u>

Deferred outflows of resources of \$719,197 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended June 30:	
2020	\$ 400,075
2021	282,178
2022	(95,212)
2023	8,337
2024	11,295
2025	8,375
	<u>\$ 615,048</u>

Sensitivity of the City's Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate:

The following presents the City's proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the City's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	7.275%	\$ 4,064,946	\$ 3,164,389	\$ 2,395,732
MPERS	7.20%	3,252,968	2,314,823	1,527,756
FRS	7.30%	1,767,793	1,211,451	743,932
LASERS	7.65%	269,664	213,668	165,443
Total		<u>\$ 9,355,371</u>	<u>\$ 6,904,331</u>	<u>\$ 4,832,863</u>

(14) Post-Retirement Health Care and Life Insurance Benefits

In adopting the requirements of Governmental Accounting Standard Board (GASB) Statement No. 75 during the year ended June 30, 2018, the City recognizes the cost of postemployment healthcare and life insurance benefits in the year when employee services are received, recognizes a liability for OPEB obligations, known as the total OPEB liability, on the statement of net position, and provides information useful in assessing potential demands on the City's future cash flows. Changes in total OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

General Information about the OPEB Plan

Plan Description: In accordance with the City of Ville Platte's group health plan the City provides certain continuing health care and life insurance benefits for its retired employees. The plan is a single-employer defined benefit health care plan administered by the City. The City has the authority to establish and amend the benefit provisions of the plan. The plan does not issue a publicly available financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement no. 75.

Benefits Provided: The City provides medical and life insurance benefits for retirees and their spouses. The benefit terms provide for payment of 50% of retiree insurance premiums. The plan also provides for payment of 100% of retiree life insurance premiums. The City recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Employees Covered by Benefit Terms: At June 30, 2019 the following employees were covered by the benefit terms –

Inactive employees currently receiving benefits payments	9
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>87</u>
	<u>96</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Total OPEB Liability

The City's total OPEB liability of \$1,275,337 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age
Inflation	2.30%
Salary increases, including inflation	3.00%
Discount rate	3.50%
Health care cost trend rates	
Medical	3.90% for 2017, varying gradually until an ultimate rate of 4.1% for 2078 and beyond.

The discount rate was based on the Bond Buyer General Obligation 20-year Bond Municipal Index.

Mortality rates for active employees were based on the RP-2014 Healthy Annuitant Table for males with Mortality Improvement Scale MP-2018.

Mortality rates for retirees and surviving spouses were based on the RP-2014 Healthy Annuitant Table for males with Mortality Improvement Scale MP-2018.

Changes in the Total OPEB Liability

The following presents changes in the total OPEB liability.

Balance at 6/30/2018	<u>\$ 1,120,471</u>
Changes for the year:	
Service cost	71,000
Interest	45,566
Effect of assumptions changes or inputs	66,699
Benefit payments	<u>(28,399)</u>
Net changes	<u>154,866</u>
Balance at 6/30/2019	<u>\$ 1,275,337</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.50 percent) or one percentage point higher (4.50 percent) than the current discount rate:

	1% Decrease <u>2.50%</u>	Discount Rate <u>3.50%</u>	1% Increase <u>4.50%</u>
Tota OPEB liability	<u>\$ 1,371,396</u>	<u>\$ 1,275,337</u>	<u>\$ 1,188,911</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease <u>1%</u>	Discount Rate <u>3.50%</u>	1% Increase <u>4.50%</u>
Tota OPEB liability	<u>\$ 1,151,400</u>	<u>\$ 1,275,337</u>	<u>\$ 1,422,010</u>

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the City recognized an OPEB expense of \$577,523. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 76,424	\$ -
Change of assumptions or other inputs	<u>61,193</u>	<u>10,709</u>
Total	<u>\$ 137,617</u>	<u>\$ 10,709</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2020	\$ 12,003
2021	12,003
2022	12,003
2023	12,003
2024	12,003
Thereafter	<u>66,893</u>
	<u>\$ 126,908</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(15) Enterprise Fund Contracts

The City purchases its natural gas from Louisiana Municipal Natural Gas Purchasing and Distribution Authority, under a contract commencing December 23, 2012. The contract shall continue for successive periods of one year unless terminated by either party upon at least six months prior written notice. The City purchased natural gas during fiscal year ended June 30, 2019 in the amount of \$674,058, of which \$24,814 was owed for purchases for the month of June 2019.

(16) Departmental Information for the Enterprise Fund

The City of Ville Platte maintains one enterprise fund with three departments which provide gas, water, and sewerage services. Departmental information for the year ended June 30, 2019 was as follows:

	Gas	Water	Sewer	Total
Operating revenues	<u>\$ 1,720,028</u>	<u>\$ 1,406,677</u>	<u>\$ 796,509</u>	<u>\$ 3,923,214</u>
Operating expenses:				
Depreciation	66,107	1,157,464	315,621	1,539,192
Other	<u>1,546,809</u>	<u>982,435</u>	<u>623,307</u>	<u>3,152,551</u>
Total operating expenses	<u>1,612,916</u>	<u>2,139,899</u>	<u>938,928</u>	<u>4,691,743</u>
Operating income (loss)	<u>\$ 107,112</u>	<u>\$ (733,222)</u>	<u>\$ (142,419)</u>	<u>\$ (768,529)</u>

(17) Compensation of City Officials

A detail of compensation paid to the Board of Aldermen for the year ended June 30, 2019 follows:

C.J. Dardeau	\$ 6,780
Bryant Briggs	13,620
Freddie Jack	6,780
Jerry Joseph	14,160
Donald Sam	13,560
Michael Perron	14,220
Faye Lemoine	6,780
Lionel Anderson	<u>6,840</u>
	<u>\$ 82,740</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(18) Compensation, Benefits, and Other Payments to Agency Head

A detail of compensation, benefits, and other payments paid to the Mayor, Jennifer Vidrine, for the year ended June 30, 2019 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 70,000
Per diem	1,500
Expense allowance	6,000
Phone allowance	1,370
Benefits - insurance	5,326
Benefits - retirement	20,232
Registration fees	350
Conference lodging	2,466
Travel and air fare	1,048
Reimbursements	373
	<u>\$ 108,665</u>

(19) Risk Management

The City is exposed to risks of loss in the areas of general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(20) Interfund Transactions

A. A summary of interfund receivables and payables at June 30, 2019 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ 98	\$ 912
City Court Special Revenue Fund	<u>-</u>	<u>98</u>
Total major governmental funds	<u>98</u>	<u>1,010</u>
Proprietary funds:		
Enterprise fund	<u>912</u>	<u>-</u>
Total	<u>\$ 1,010</u>	<u>\$ 1,010</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

These balances resulted from short-term loans made to other funds. All interfund balances will be repaid within one year.

B. Transfers consisted of the following at June 30, 2019:

	Transfers In	Transfers Out
Major governmental funds:		
General Fund	\$ 2,764,934	\$ 100
Special Revenue Funds:		
1975 Sales Tax	-	1,348,001
1984 Sales Tax	-	1,525,964
City Court	535,100	-
Nonmajor governmental funds	-	88,094
Proprietary fund - Utility Fund	<u>1,002,291</u>	<u>1,340,166</u>
Total	<u>\$ 4,302,325</u>	<u>\$ 4,302,325</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund or utility fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(21) Deficit in Individual Fund

The Section 8 Housing program enterprise fund reflected a deficit fund balance in the amount of \$55,448 at June 30, 2019. This deficit was the result of recording the net pension liability in accordance with GASB Statement No. 68.

(22) Environmental Compliance Order

In June of 2019, pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001), a compliance order was served to the City from the State of Louisiana, Department of Environmental Quality. This compliance order cited violations involving the wastewater treatment plant located at 1081 Heritage Manor Road. It was estimated that compliance with this order would cost the City approximately \$239,591. These repairs will be funded with Utility Fund revenues. As of June 30, 2019, no expenditures have been incurred.

In December of 2018, an administrative order was served to the City from the State of Louisiana, Department of Health, Office of Public Health. This administrative order cited violations involving the City of Ville Platte public water system. It was estimated that compliance with this order would cost the City approximately \$16,895. These repairs will be funded with Utility Fund revenues. As of June 30, 2019, no expenditures have been incurred.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(23) Pending Litigation

At June 30, 2019, the City of Ville Platte was a defendant in several lawsuits. The City's legal counsel has reviewed the claims and lawsuits, in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City not covered by insurance. As a result of the review, there are no claims and lawsuits which might result in a liability to the City which are not considered coverable by insurance or which would have a material adverse effect on the City's financial position.

(24) New Accounting Pronouncements

In June of 2017 the Governmental Accounting Standards Board (GASB) approved Statement No. 87, "Leases". The objective of GASB No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The provisions of GASB Statement No. 87 must be implemented by the City for the year ending June 30, 2021.

In June of 2018, the GASB approved Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period". GASB Statement No. 89 enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The provisions of GASB Statement No. 89 must be implemented by the City for the year ending June 30, 2020.

The effect of implementation of these statements on the City's financial statements has not yet been determined.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF VILLE PLATTE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,519,418	\$ 1,504,621	\$ 1,451,264	\$ (53,357)
Licenses and permits	342,351	383,451	389,109	5,658
Intergovernmental	5,123,327	639,891	652,005	12,114
Miscellaneous	<u>994,952</u>	<u>320,944</u>	<u>314,465</u>	<u>(6,479)</u>
Total revenues	<u>7,980,048</u>	<u>2,848,907</u>	<u>2,806,843</u>	<u>(42,064)</u>
Expenditures:				
Current -				
General government	1,211,525	1,190,395	1,185,163	5,232
Public safety:				
Police	2,145,360	2,023,351	2,022,128	1,223
Fire	990,603	1,123,363	1,112,070	11,293
Streets and drainage	986,200	709,464	650,752	58,712
Culture and recreation	415,459	390,401	381,718	8,683
Capital outlay	4,740,825	155,014	144,584	10,430
Debt service	<u>140,825</u>	<u>118,433</u>	<u>118,304</u>	<u>129</u>
Total expenditures	<u>10,630,797</u>	<u>5,710,421</u>	<u>5,614,719</u>	<u>95,702</u>
Deficiency of revenues over expenditures	<u>(2,650,749)</u>	<u>(2,861,514)</u>	<u>(2,807,876)</u>	<u>53,638</u>
Other financing sources (uses):				
Sale of capital assets	54,000	-	-	-
Proceeds from loan/bond issuance	2,540,000	-	-	-
Transfers in	3,014,397	2,831,520	2,764,934	(66,586)
Transfers out	<u>(333,944)</u>	<u>(100)</u>	<u>(100)</u>	<u>-</u>
Total other financing sources (uses)	<u>5,274,453</u>	<u>2,831,420</u>	<u>2,764,834</u>	<u>(66,586)</u>
Net change in fund balance	2,623,704	(30,094)	(43,042)	(12,948)
Fund balance, beginning	<u>3,168,724</u>	<u>3,538,768</u>	<u>3,538,768</u>	<u>-</u>
Fund balance, ending	<u>\$ 5,792,428</u>	<u>\$ 3,508,674</u>	<u>\$ 3,495,726</u>	<u>\$ (12,948)</u>

CITY OF VILLE PLATTE, LOUISIANA
1975 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,346,419	\$ 1,405,486	\$ 1,417,518	\$ 12,032
Miscellaneous	33	66	66	-
Total revenues	<u>1,346,452</u>	<u>1,405,552</u>	<u>1,417,584</u>	<u>12,032</u>
Expenditures:				
Current -				
General government:				
Professional fees	13,362	29,650	27,691	1,959
Sales tax collection fees	4,600	28,110	27,494	616
Total expenditures	<u>17,962</u>	<u>57,760</u>	<u>55,185</u>	<u>2,575</u>
Excess of revenues over expenditures	<u>1,328,490</u>	<u>1,347,792</u>	<u>1,362,399</u>	<u>14,607</u>
Other financing sources (uses):				
Transfers from (to) other funds -				
General Fund	(1,187,310)	(1,190,331)	(1,190,331)	-
City Court Fund	(75,600)	(21,000)	(21,000)	-
Utility Fund	(67,400)	(136,670)	(136,670)	-
Total other financing sources (uses)	<u>(1,330,310)</u>	<u>(1,348,001)</u>	<u>(1,348,001)</u>	<u>-</u>
Net change in fund balance	(1,820)	(209)	14,398	14,607
Fund balance, beginning	<u>2,460</u>	<u>7,513</u>	<u>7,513</u>	<u>-</u>
Fund balance, ending	<u>\$ 640</u>	<u>\$ 7,304</u>	<u>\$ 21,911</u>	<u>\$ 14,607</u>

CITY OF VILLE PLATTE, LOUISIANA
1984 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 1,346,419	\$ 1,405,486	\$ 1,417,517	\$ 12,031
Miscellaneous	<u>1,358</u>	<u>1,336</u>	<u>1,338</u>	<u>2</u>
Total revenues	<u>1,347,777</u>	<u>1,406,822</u>	<u>1,418,855</u>	<u>12,033</u>
Expenditures:				
Current -				
General government:				
Professional fees	20,512	29,650	27,691	1,959
Sales tax collection fees	4,600	28,110	27,494	616
Equipment and building repair and maintenance	<u>-</u>	<u>5,375</u>	<u>5,375</u>	<u>-</u>
Total expenditures	<u>25,112</u>	<u>63,135</u>	<u>60,560</u>	<u>2,575</u>
Excess of revenues over expenditures	<u>1,322,665</u>	<u>1,343,687</u>	<u>1,358,295</u>	<u>14,608</u>
Other financing uses:				
Transfers to -				
General Fund	(564,229)	(880,254)	(891,987)	(11,733)
Utility Fund	<u>(823,548)</u>	<u>(635,594)</u>	<u>(633,977)</u>	<u>1,617</u>
Total other financing uses	<u>(1,387,777)</u>	<u>(1,515,848)</u>	<u>(1,525,964)</u>	<u>(10,116)</u>
Net change in fund balance	(65,112)	(172,161)	(167,669)	4,492
Fund balance, beginning	<u>881,725</u>	<u>1,073,917</u>	<u>1,073,917</u>	<u>-</u>
Fund balance, ending	<u>\$ 816,613</u>	<u>\$ 901,756</u>	<u>\$ 906,248</u>	<u>\$ 4,492</u>

CITY OF VILLE PLATTE, LOUISIANA
City Court Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 84,658	\$ 109,524	\$ 116,658	\$ 7,134
Fines and forfeits	27,123	30,003	31,632	1,629
Salaries from Police Jury	46,886	46,903	42,994	(3,909)
Marshall fees	-	11,615	12,923	1,308
Miscellaneous	4,832	7,973	7,932	(41)
Total revenues	<u>163,499</u>	<u>206,018</u>	<u>212,139</u>	<u>6,121</u>
Expenditures:				
Current -				
General government	679,377	703,711	699,436	4,275
Debt service -				
Principal retirement	8,066	8,066	4,456	3,610
Interest and fiscal charges	414	414	45	369
Total expenditures	<u>687,857</u>	<u>712,191</u>	<u>703,937</u>	<u>8,254</u>
Deficiency of revenues over expenditures	<u>(524,358)</u>	<u>(506,173)</u>	<u>(491,798)</u>	<u>14,375</u>
Other financing sources:				
Transfers from -				
General Fund	272,971	100	100	-
Utility Fund	202,530	499,000	514,000	15,000
1975 Sales Tax	75,600	21,000	21,000	-
Total other financing sources	<u>551,101</u>	<u>520,100</u>	<u>535,100</u>	<u>15,000</u>
Net change in fund balance	26,743	13,927	43,302	29,375
Fund balance, beginning	<u>1,850</u>	<u>11,781</u>	<u>11,781</u>	<u>-</u>
Fund balance, ending	<u>\$ 28,593</u>	<u>\$ 25,708</u>	<u>\$ 55,083</u>	<u>\$ 29,375</u>

City of Ville Platte
Ville Platte, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2019

	<u>2018</u>	<u>2019</u>
Total OPEB Liability		
Service cost	\$ 74,810	\$ 71,000
Interest on total OPEB liability	46,767	45,566
Effect of economic/demographic gains or losses	91,536	-
Effect of assumptions changes or inputs	(12,827)	66,699
Benefit payments	<u>(78,640)</u>	<u>(28,399)</u>
Net change in OPEB liability	121,646	154,866
Total OPEB liability, beginning	<u>998,825</u>	<u>1,120,471</u>
Total OPEB liability, ending	<u>\$ 1,120,471</u>	<u>\$ 1,275,337</u>
 Covered payroll	 <u>\$ 2,779,763</u>	 <u>\$ 3,259,848</u>
Total OPEB liability as a percentage of covered payroll	 <u>40.31%</u>	 <u>39.12%</u>

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2019

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
MERS					
2019	0.764220%	\$ 3,164,389	\$ 1,395,239	226.8%	63.94%
2018	0.781751%	\$ 3,270,395	\$ 1,418,797	230.5%	62.49%
2017	0.832974%	\$ 3,414,118	\$ 1,488,981	229.3%	62.11%
2016	0.814196%	\$ 2,908,435	\$ 1,394,010	208.6%	66.18%
2015	0.750734%	\$ 1,926,717	\$ 1,227,877	156.9%	73.99%
MPERS					
2019	0.273812%	\$ 2,314,823	\$ 805,839	287.3%	71.89%
2018	0.287081%	\$ 2,506,339	\$ 854,697	293.2%	70.08%
2017	0.237861%	\$ 2,229,428	\$ 664,496	335.5%	66.04%
2016	0.264622%	\$ 2,073,037	\$ 704,025	294.5%	70.73%
2015	0.267745%	\$ 1,675,035	\$ 694,651	241.1%	75.10%
FRS					
2019	0.210611%	\$ 1,211,451	\$ 501,429	241.6%	74.76%
2018	0.200203%	\$ 1,147,533	\$ 467,448	245.5%	73.55%
2017	0.200020%	\$ 1,308,312	\$ 451,000	290.1%	68.16%
2016	0.233345%	\$ 1,259,389	\$ 495,022	254.4%	72.45%
2015	0.227814%	\$ 1,013,754	\$ 462,773	219.1%	76.02%
LASERS					
2019	0.003130%	\$ 213,668	\$ 58,931	362.6%	64.30%
2018	0.003300%	\$ 232,493	\$ 58,931	394.5%	62.50%
2017	0.003210%	\$ 252,302	\$ 58,931	428.1%	57.70%
2016	0.003280%	\$ 223,090	\$ 29,363	759.8%	62.66%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Employer Contributions
For the Year Ended June 30, 2019

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
MERS					
2019	\$ 334,512	\$ 334,512	\$ -	\$ 1,286,585	26.00%
2018	\$ 345,322	\$ 345,322	\$ -	\$ 1,395,239	24.75%
2017	\$ 322,776	\$ 322,776	\$ -	\$ 1,418,797	22.75%
2016	\$ 294,074	\$ 294,074	\$ -	\$ 1,488,981	19.75%
2015	\$ 275,317	\$ 275,317	\$ -	\$ 1,394,010	19.75%
MPERS					
2019	\$ 219,790	\$ 219,790	\$ -	\$ 681,520	32.25%
2018	\$ 247,795	\$ 247,795	\$ -	\$ 805,839	30.75%
2017	\$ 272,105	\$ 272,105	\$ -	\$ 854,697	31.84%
2016	\$ 196,558	\$ 196,558	\$ -	\$ 664,496	29.58%
2015	\$ 221,768	\$ 221,768	\$ -	\$ 704,025	31.50%
FRS					
2019	\$ 141,912	\$ 141,912	\$ -	\$ 535,518	26.50%
2018	\$ 132,879	\$ 132,879	\$ -	\$ 501,429	26.50%
2017	\$ 118,031	\$ 118,031	\$ -	\$ 467,448	25.25%
2016	\$ 122,898	\$ 122,898	\$ -	\$ 451,000	27.25%
2015	\$ 144,794	\$ 144,794	\$ -	\$ 495,022	29.25%
LASERS					
2019	\$ 22,983	\$ 22,983	\$ -	\$ 58,931	39.00%
2018	\$ 23,337	\$ 23,337	\$ -	\$ 58,931	39.60%
2017	\$ 21,628	\$ 21,628	\$ -	\$ 58,931	36.70%
2016	\$ 23,160	\$ 23,160	\$ -	\$ 58,931	39.30%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF VILLE PLATTE, LOUISIANA

Notes to the Required Supplementary Information
For the Year Ended June 30, 2019

(1) Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Mayor prepares a proposed budget and submits it to the Council for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the City.

(2) OPEB Plan

Changes in Benefit Terms – There were no changes in benefit terms.

Changes of Assumptions –

<u>Year Ended June 30,</u>	<u>Discount Rate</u>
2019	3.50%
2018	3.87%
2017	3.87%

No assets are accumulated in a trust that meets the criteria of GASB No. 75, paragraph 4, to pay related benefits.

(continued)

CITY OF VILLE PLATTE, LOUISIANA

Notes to the Required Supplementary Information (Continued)
For the Year Ended June 30, 2019

(3) Retirement Systems

Changes in Benefit Terms – There were no changes in benefit terms.

Changes of Assumptions –

<u>Year Ended June 30,</u>	<u>Discount Rate</u>	<u>Investment Rate of Return</u>	<u>Inflation Rate</u>	<u>Expected Remaining Service Lives</u>	<u>Projected Salary Increase</u>
*MERS					
2019	7.275%	7.275%	2.60%	3	5.00%
2018	7.40%	7.40%	2.775%	3	5.00%
2017	7.50%	7.50%	2.875%	3	5.00%
2016	7.50%	7.50%	2.875%	3	5.00%
2015	7.75%	7.75%	3.00%	3	5.75%
*MPERS					
2019	7.20%	7.20%	2.60%	4	9.75% to 4.25%
2018	7.325%	7.325%	2.70%	4	9.75% to 4.25%
2017	7.50%	7.50%	2.875%	4	9.75% to 4.25%
2016	7.50%	7.50%	2.875%	4	9.75% to 4.25%
2015	7.75%	7.75%	3.00%	4	10.00% to 4.00%
*FRS					
2019	7.30%	7.30%	2.70%	7	15% to 4.75%
2018	7.40%	7.40%	2.775%	7	15% to 4.75%
2017	7.50%	7.50%	2.875%	7	15% to 4.75%
2016	7.50%	7.50%	2.875%	7	15% to 4.75%
2015	7.50%	7.50%	3.00%	7	15% to 5.50%
*LASERS					
2019	7.65%	7.65%	2.75%	3	2.8% to 14.3%
2018	7.70%	7.70%	2.75%	3	2.8% to 14.3%
2017	7.75%	7.75%	3.00%	3	3.0% to 14.5%
2016	7.75%	7.75%	3.00%	3	3.0% to 14.5%
2015	7.75%	7.75%	3.00%	3	3.0% to 14.5%

**The amounts presented have a measurement date of the previous fiscal year end.*

OTHER FINANCIAL INFORMATION

CITY OF VILLE PLATTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2019

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Taxes:				
Ad valorem	\$ 256,323	\$ 237,293	\$ 239,315	\$ 2,022
Street and drainage maintenance	401,493	339,039	342,604	3,565
Police and fire tax	161,616	135,450	136,859	1,409
PILOT - Housing Authority	37,649	30,000	-	(30,000)
Franchise - utility companies	375,394	380,371	374,917	(5,454)
Utility Fund - payment in lieu of taxes	286,943	382,468	357,569	(24,899)
	<u>1,519,418</u>	<u>1,504,621</u>	<u>1,451,264</u>	<u>(53,357)</u>
Licenses and permits:				
Occupational licenses	336,095	368,175	366,453	(1,722)
Building permits	5,139	11,202	18,662	7,460
Electrical permits	1,042	4,074	3,994	(80)
House moving permits	75	-	-	-
	<u>342,351</u>	<u>383,451</u>	<u>389,109</u>	<u>5,658</u>
Intergovernmental:				
State of Louisiana -				
Beer tax	19,109	18,947	18,789	(158)
Evangeline Council on Aging	175,350	155,189	164,619	9,430
State grants	1,928,000	775	775	-
Fire insurance rebate	39,000	35,655	35,503	(152)
Highway maintenance	17,850	14,950	14,950	-
Fire salary reimbursement	236,693	240,260	244,287	4,027
On-behalf payments	150,000	174,115	173,082	(1,033)
Federal -				
Grants	<u>2,557,325</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,123,327</u>	<u>639,891</u>	<u>652,005</u>	<u>12,114</u>
Miscellaneous:				
Rental income -				
Gas department	15,000	15,000	15,000	-
Park and civic center	34,270	28,637	30,037	1,400
Section 8 rent	11,592	7,800	7,800	-
Swamp Pop revenues	12,766	12,747	12,747	-
Interest income	6,748	7,038	6,873	(165)
Inmate housing	50,000	53,391	43,619	(9,772)
Law enforcement revenue	21,420	10,159	10,549	390
Local grants	455,500	-	-	-
Insurance claims	-	3,293	4,200	907
Archon fees	22,637	49,799	50,514	715
Ville Platte Boys and Girls Club	-	14,554	14,854	300
Security at parks	-	3,285	3,435	150
Other sources	<u>365,019</u>	<u>115,241</u>	<u>114,837</u>	<u>(404)</u>
	<u>994,952</u>	<u>320,944</u>	<u>314,465</u>	<u>(6,479)</u>
Total revenues	<u>\$ 7,980,048</u>	<u>\$ 2,848,907</u>	<u>\$ 2,806,843</u>	<u>\$ (42,064)</u>

CITY OF VILLE PLATTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General government:				
Executive -				
Mayor salary	\$ 80,141	\$ 70,000	\$ 70,000	\$ -
Auto allowance	-	6,000	6,000	-
Per diem	-	1,440	1,500	(60)
Phone allowance	-	1,370	1,370	-
Council salaries	83,056	52,321	51,780	541
Auto allowance	-	21,600	21,600	-
Per diem	-	8,280	9,360	(1,080)
Retirement	23,645	21,795	21,792	3
Medicare taxes	6,445	6,893	6,920	(27)
Payroll taxes	175	100	100	-
Group insurance	20,426	15,982	15,979	3
Dues and conventions	25,903	15,454	16,121	(667)
Miscellaneous	-	988	731	257
Total executive	<u>239,791</u>	<u>222,223</u>	<u>223,253</u>	<u>(1,030)</u>
Administrative -				
Salaries	317,844	293,860	295,986	(2,126)
Per diem	-	3,360	3,240	120
Auto allowance	-	4,800	4,800	-
Phone allowance	-	4,680	4,680	-
Contract services	-	1,200	1,200	-
Utilities	36,322	28,181	27,825	356
Telephone	11,152	9,603	9,558	45
Insurance	38,083	32,230	32,327	(97)
Workman's compensation	2,913	3,597	3,881	(284)
Advertising and publicity	20,795	12,459	9,174	3,285
Group insurance	50,945	58,513	52,001	6,512
Office expenditures	54,780	24,397	22,721	1,676
Postage	-	4,044	3,925	119
Professional fees	60,190	185,641	182,346	3,295
Repairs and maintenance	42,157	26,118	24,583	1,535
Gas and oil	559	-	-	-
Evangeline Council on Aging	215,324	155,189	164,619	(9,430)
Dues, conventions and travel	17,260	4,584	4,084	500
Chamber of Commerce social programs	-	3,600	3,300	300
Auto allowance - Engineer	2,800	2,760	2,760	-
Retirement contributions	60,991	65,335	65,657	(322)
Medicare taxes	9,178	9,201	9,266	(65)
Payroll taxes	719	658	655	3
Miscellaneous	<u>29,722</u>	<u>34,162</u>	<u>33,322</u>	<u>840</u>
Total administrative	<u>971,734</u>	<u>968,172</u>	<u>961,910</u>	<u>6,262</u>
Total general government	<u>1,211,525</u>	<u>1,190,395</u>	<u>1,185,163</u>	<u>5,232</u>

(continued)

CITY OF VILLE PLATTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public safety:				
Police department -				
Salaries	1,175,066	961,578	957,068	4,510
State supplemental pay	-	100,515	100,082	433
Phone allowance	-	5,090	5,010	80
Gas and oil	50,000	58,762	57,761	1,001
Auto repairs	25,000	26,363	27,809	(1,446)
Equipment and building repairs and maintenance	18,000	38,141	37,200	941
Feeding prisoners	43,489	65,764	65,232	532
Supplies	41,714	22,338	21,819	519
Telephone	6,392	22,051	21,982	69
Insurance	109,513	129,865	149,618	(19,753)
Workman's compensation	98,636	85,188	84,472	716
Advertising and publicity	977	65	65	-
Office expenditures	-	5,644	5,215	429
Uniforms	14,300	9,926	9,426	500
Retirement contributions	268,320	223,794	223,072	722
Group insurance	132,665	126,253	123,823	2,430
Professional fees	12,861	10,335	5,110	5,225
Dues, conventions and travel	20,006	9,926	9,726	200
Officer training program	3,770	5,175	5,175	-
Utilities	13,527	19,549	19,157	392
Medicare taxes	31,679	28,155	27,983	172
Payroll taxes	2,598	2,104	2,070	34
Dare, K-9 and DWI expenditures	5,054	4,425	4,224	201
Medical expenditures	70,000	55,325	52,494	2,831
Miscellaneous	1,793	7,020	6,535	485
Total police department	2,145,360	2,023,351	2,022,128	1,223
Fire department -				
Salaries	563,671	558,174	556,354	1,820
State supplemental pay	-	73,600	73,000	600
Phone allowance	-	3,600	3,300	300
Gas and oil	9,104	9,012	5,012	4,000
Equipment and building repairs and maintenance	16,975	26,468	25,509	959
Supplies	39,764	29,337	26,191	3,146
Telephone	13,662	13,706	13,604	102
Insurance	20,833	30,757	33,532	(2,775)

(continued)

CITY OF VILLE PLATTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire department (continued) -				
Workman's compensation	59,580	58,882	58,765	117
Uniforms	3,828	4,593	4,593	-
Retirement contributions	133,738	142,560	141,912	648
Group insurance	85,557	87,300	86,422	878
Utilities	21,336	16,194	15,980	214
Medicare taxes	10,525	10,245	9,989	256
School training	1,389	3,315	3,535	(220)
Payroll taxes	1,317	1,213	1,213	-
Professional fees	8,021	8,479	7,816	663
Fire truck match	-	35,794	35,794	-
Service call fees	-	6,513	6,513	-
Miscellaneous	1,303	3,621	3,036	585
Total fire department	990,603	1,123,363	1,112,070	11,293
Total public safety	3,135,963	3,146,714	3,134,198	12,516
Streets and drainage:				
Salaries	306,724	205,016	202,886	2,130
Phone allowance	-	720	720	-
Gas, oil and fuel	47,739	41,213	43,697	(2,484)
Truck and equipment repairs	96,386	50,144	44,114	6,030
Tools and supplies	24,115	15,242	16,431	(1,189)
Telephone	2,938	5,024	5,054	(30)
Insurance	35,169	33,545	40,219	(6,674)
Workman's compensation	46,209	35,191	34,656	535
Retirement contributions	41,267	28,350	28,012	338
Group insurance	33,110	32,210	31,236	974
Uniforms	4,674	4,066	4,376	(310)
Utilities - street lights	172,712	162,319	154,081	8,238
Medicare taxes	12,354	7,961	7,799	162
Payroll taxes	711	417	411	6
Sand, gravel, cement and dirt	4,477	5,008	4,808	200
Street improvement, repairs and overlay	121,125	48,733	14,233	34,500
Professional fees	6,283	10,741	6,236	4,505
Dog pound expense	7,200	5,186	5,035	151
Grass and tree cutting	15,715	14,950	3,264	11,686
Miscellaneous	7,292	3,428	3,484	(56)
Total streets and drainage	986,200	709,464	650,752	58,712

(continued)

CITY OF VILLE PLATTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Culture and recreation:				
Salaries	188,377	154,496	153,074	1,422
Phone allowance	-	1,920	1,920	-
Gas, oil and diesel	861	769	569	200
Building and equipment repairs	30,000	49,885	45,304	4,581
Tools and supplies	18,000	7,843	7,171	672
Telephone	8,209	8,473	8,392	81
Insurance	23,487	30,837	34,672	(3,835)
Workman's compensation	14,860	11,792	11,669	123
Retirement contributions	32,917	19,972	19,821	151
Group insurance	17,933	19,475	18,588	887
Uniforms	3,319	4,201	4,033	168
Utilities	33,837	27,642	27,116	526
Medicare taxes	7,689	6,779	7,215	(436)
Payroll taxes	444	343	326	17
Professional fees	-	1,905	905	1,000
Swamp Pop	5,526	12,000	10,253	1,747
Boys and Girls Club	30,000	27,501	26,355	1,146
Miscellaneous	-	4,568	4,335	233
Total culture and recreation	415,459	390,401	381,718	8,683

(continued)

CITY OF VILLE PLATTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Capital outlay:				
Public Safety -				
Fire:				
Equipment	727,500	-	-	-
Streets and drainage -				
Vehicles	60,000	126,020	115,590	10,430
Street lighting/street signs/stop sign	897,325	-	-	-
Sidewalk improvements	1,160,000	-	-	-
Culture and recreation -				
Equipment	200,000	-	-	-
Northside Park improvements	30,000	28,994	28,994	-
Hargrove Park improvements	66,000	-	-	-
Parks project	1,600,000	-	-	-
Total capital outlay	<u>4,740,825</u>	<u>155,014</u>	<u>144,584</u>	<u>10,430</u>
Debt Service:				
Principal	131,259	106,927	106,822	105
Interest	<u>9,566</u>	<u>11,506</u>	<u>11,482</u>	<u>24</u>
Total debt service	<u>140,825</u>	<u>118,433</u>	<u>118,304</u>	<u>129</u>
Total expenditures	<u>\$ 10,630,797</u>	<u>\$ 5,710,421</u>	<u>\$ 5,614,719</u>	<u>\$ 95,702</u>

CITY OF VILLE PLATTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Other Financing Sources (Uses)
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Proceeds from loan/bond issuance	\$ 2,540,000	\$ -	\$ -	\$ -
Sale of capital assets	54,000	-	-	-
Transfers from (to) other funds -				
Utility Fund	1,201,885	672,839	594,522	(78,317)
New Building Construction Fund	-	88,096	88,094	(2)
1975 Sales Tax Fund	1,187,310	1,190,331	1,190,331	-
1984 Sales Tax Fund	564,229	880,254	891,987	11,733
City Court	(272,971)	(100)	(100)	-
Total other financing sources (uses)	<u>\$ 5,274,453</u>	<u>\$ 2,831,420</u>	<u>\$ 2,764,834</u>	<u>\$ (66,586)</u>

NONMAJOR GOVERNMENTAL FUNDS

CITY OF VILLE PLATTE, LOUISIANA
Nonmajor Governmental Fund -
Municipal Building Construction Capital Project Fund

Balance Sheet
30-Jun-19

ASSETS

Interest-bearing deposits	<u>\$ -</u>
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FUND BALANCE

Fund balance:	
Assigned -	
Capital projects	<u>\$ -</u>

CITY OF VILLE PLATTE, LOUISIANA
Nonmajor Governmental Fund -
Municipal Building Construction Capital Project Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2019

Expenditures:	
Current -	
General government	\$ 2
Other financing uses:	
Transfers out	<u>(88,094)</u>
Change in fund balance	(88,096)
Fund balance, beginning	<u>88,096</u>
Fund balance, ending	<u><u>\$ -</u></u>

CITY OF VILLE PLATTE, LOUISIANA
Enterprise Fund
Utility Fund

Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2019

Operating revenues:	
Charges for services -	
Customer service charges	\$ 3,627,876
Connection and inspection fees	76,873
Miscellaneous	<u>218,465</u>
Total operating revenues	<u>3,923,214</u>
Operating expenses:	
Gas department expenses	1,612,906
Water department expenses	2,139,899
Sewerage department expenses	<u>938,928</u>
Total operating expenses	<u>4,691,733</u>
Operating income (loss)	<u>(768,519)</u>
Nonoperating revenues (expenses):	
Nonemployer pension contribution	13,630
Interest income	1,584
Ad valorem taxes	514,918
State grant	20,346
Interest expense	(304,096)
Paying agent fees	<u>(52,386)</u>
Total nonoperating revenues (expenses)	<u>193,996</u>
Loss before transfers	(574,523)
Transfers in (out):	
Transfers in	1,002,291
Transfers out	<u>(1,340,166)</u>
Total transfers in (out)	<u>(337,875)</u>
Change in net position	(912,398)
Net position, beginning	<u>10,668,739</u>
Net position, ending	<u><u>\$ 9,756,341</u></u>

<u>Gas</u> <u>Department</u>	<u>Water</u> <u>Department</u>	<u>Sewer</u> <u>Department</u>
\$ 1,592,671	\$ 1,280,118	\$ 755,087
14,752	41,073	21,048
<u>112,605</u>	<u>85,486</u>	<u>20,374</u>
<u>1,720,028</u>	<u>1,406,677</u>	<u>796,509</u>
1,612,906	-	-
-	2,139,899	-
<u>-</u>	<u>-</u>	<u>938,928</u>
<u>1,612,906</u>	<u>2,139,899</u>	<u>938,928</u>
<u>\$ 107,122</u>	<u>\$ (733,222)</u>	<u>\$ (142,419)</u>

CITY OF VILLE PLATTE, LOUISIANA
Enterprise Fund
Utility Fund

Departmental Statement of Operating Expenses
For the Year Ended June 30, 2019

	Gas	Water	Sewer	Totals
Salaries	\$ 195,692	\$ 187,862	\$ 141,201	\$ 524,755
Phone allowance	660	1,380	660	2,700
Retirement contributions	65,308	40,802	19,386	125,496
Payroll and Medicare taxes	5,089	4,236	6,690	16,015
Group insurance	52,215	30,513	41,788	124,516
Uniforms	2,078	2,404	6,138	10,620
Insurance	72,486	29,143	28,936	130,565
Workman's compensation insurance	5,752	15,268	11,937	32,957
General Fund - payment in lieu of taxes	155,840	127,363	74,366	357,569
Natural gas purchased	674,058	-	-	674,058
Dues and conventions	347	2,106	1,949	4,402
Equipment repairs and maintenance	114,175	143,454	51,140	308,769
Materials and supplies	21,162	24,995	13,281	59,438
Chemicals	-	28,846	19,005	47,851
Testing and inspection fees	-	-	15,440	15,440
Professional fees	83,177	77,448	40,138	200,763
Utilities and telephone	28,231	172,094	122,386	322,711
Rent	15,000	-	-	15,000
Gas, oil and fuel	1,484	1,680	1,602	4,766
Office supplies	12,525	9,865	9,022	31,412
Depreciation	66,107	1,157,464	315,621	1,539,192
Miscellaneous	14,779	57,288	1,937	74,004
Sand, gravel and dirt	-	3,640	3,336	6,976
Bad debt expense	26,741	22,048	12,969	61,758
Total operating expenses	<u>\$ 1,612,906</u>	<u>\$ 2,139,899</u>	<u>\$ 938,928</u>	<u>\$ 4,691,733</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF VILLE PLATTE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2019

Records maintained by the City indicated the following number of customers were being served during the month of June, 2019:

<u>Department</u>	
Gas (metered)	1,581
Water (metered)	2,762
Sewerage	2,674

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
June 30, 2019

Description of Coverage	Coverage Amounts
Workmen's compensation - Employer's liability	Statutory
Blanket coverage on City property buildings and contents	\$ 9,845,250
Comprehensive automobile and physical damage	233,970
Commercial general liability	500,000/claim
Public officials	500,000/claim
Police professional liability	500,000/claim
Auto liability	500,000/claim
Inland marine	295,000
Fire policy	1,000,000

**INTERNAL CONTROL, COMPLIANCE
AND OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Jennifer Vidrine, Mayor
and Members of the Board of Aldermen
City of Ville Platte, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ville Platte, Louisiana, (City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 12, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the schedule of current and prior year audit findings and corrective action plan as item 2019-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Ville Platte's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current and prior year audit findings and corrective action plan as items 2019-002 through 2019-004.

City of Ville Platte's Response to Findings

The City of Ville Platte's response to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
November 12, 2019

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Current and Prior Year Audit Findings and Corrective Action Plan
For the Year Ended June 30, 2019

Part I. Current Year Findings relating to an audit in accordance with *Government Auditing Standards*:

A. Internal Control

2019-001 Maintenance of Police Department Ticket Log

CONDITION: The police department ticket log was not maintained properly for all tickets.

CRITERIA: A ticket log must be maintained in order to account for all issued, voided and skipped tickets.

CAUSE: Policies and procedures for maintaining the log were not followed.

EFFECT: Fees for tickets may not be collected and misappropriation of assets or fraud could occur.

RECOMMENDATION: The police department should properly maintain the ticket log.

MANAGEMENT RESPONSE: The police department ticket log is being monitored closely.

B. Compliance

2019-002 Compliance with LRS 49:121 Identification of Property

CONDITION: Various vehicles owned by the City were not identified with decals.

CRITERIA: Vehicles owned by the City must be identified with appropriate decals on both sides of the vehicle as required by LRS 49:121 Identification of Property.

CAUSE: The City does not have policies and procedures in place to ensure that all vehicles owned by the City have proper decals as required by RS 49:121 Identification of Property.

EFFECT: Vehicles may not be easily identifiable, which could result in unauthorized use of the vehicle.

RECOMMENDATION: The City should mark all vehicles with the proper decals as required by RS 49:121.

MANAGEMENT RESPONSE: All vehicles will have the proper identification as required by RS 49:121.

(continued)

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Current and Prior Year Audit Findings and Corrective Action Plan
For the Year Ended June 30, 2019 (Continued)

2019-003 Compliance with Utility Collection Policies and Procedures

CONDITION: Due to the amount of delinquent utility accounts remaining active, it appears that the City is not following the requirements of the utility revenue bond indenture.

CRITERIA: Charges for services should be collected as required by the utility bond indenture.

CAUSE: The City did not follow their collection policy.

EFFECT: Losses could be incurred because of uncollected revenue.

RECOMMENDATION: The City should enforce the utility collection policy.

MANAGEMENT RESPONSE: The City will enforce the utility collection policy.

2019-004 Excess Compensation for Mayor and Board of Aldermen

CONDITION: Payments in the amount \$40,010 for per diem, auto allowances, and phone allowances were paid to the Mayor and Council Members during the fiscal year ended June 30, 2019 in addition to their salary. Although the salaries were set by ordinance on 12/8/2015 as required by state law, the additional payments of per diem, auto allowances, and phone allowance were not set by ordinance.

CRITERIA: Louisiana Revised Statute 33:404.1 states “The board of aldermen shall by ordinance fix the compensation of the mayor, aldermen, clerk, chief of police, and all other municipal officers. The board of aldermen may by ordinance increase or decrease their compensation and the compensation of any nonelected municipal officer and may increase the compensation of other elected officials. However, the board of aldermen shall not reduce the compensation of any elected official during the term for which he is elected”.

CAUSE: The City of Ville Platte failed to adopt policies and procedures to ensure municipal officers are paid according to the appropriate salary ordinances adopted by the Council and that additional compensation in the form of allowances and per diems be addressed clearly in such ordinances.

EFFECT: City officials were paid compensation in excess of the amount approved by ordinance.

RECOMMENDATION: We recommend the City of Ville Platte adopt policies and procedures to ensure municipal officers are paid according to the appropriate salary ordinances adopted by the Council and that additional compensation in the form of allowances and per diems be addressed clearly in such ordinances.

MANAGEMENT RESPONSE: The Council will adopt an appropriate ordinance to properly define all these items as compensation.

(continued)

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Current and Prior Year Audit Findings and Corrective Action Plan
For the Year Ended June 30, 2019 (Continued)

Part II. Prior Year Findings relating to an audit in accordance with *Government Auditing Standards*:

A. Internal Control

2018-001 Segregation of Duties

CONDITION: The City does not have adequate segregation of accounting functions in the area of collecting and recording revenues.

CURRENT STATUS: Proper segregation of accounting duties has been implemented.

2018-002 Financial Reporting

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles (GAAP), as applicable to governmental entities, in the financial statement preparation process.

CURRENT STATUS: Staff applies GAAP to the City's financial statements.

2018-003 Reconciliation of Utility Receivables

CONDITION: The Utility Department Supervisor did not reconcile the utility aged receivable report to the general ledger accounts receivable balance.

CURRENT STATUS: The utility aged receivable report is reconciled to the general ledger on a weekly basis.

2018-004 Reconciliation of Customer Meter Deposits

CONDITION: The detailed listing of customer meter deposits is not reconciled to the customer meter deposit liability general ledger accounts on a monthly basis.

CURRENT STATUS: Customer meter deposits are reconciled to the general ledger on a monthly basis.

2018-005 Maintenance of Police Department Ticket Log

CONDITION: The police department ticket log was not maintained properly for all tickets.

CURRENT STATUS: See finding 2019-001. Policies and procedures for maintaining the log were not followed.

B. Compliance

2018-006 Compliance with Budget Act

CONDITION: The City did not comply with the requirements of RS 39:1311, the Local Government Budget Act. Actual expenditures exceeded budgeted expenditures by five percent or more in the 1984 Sales Tax Special Revenue Fund.

CURRENT STATUS: All requirements of RS 39:1311 have been followed.

**SCHEDULES REQUIRED BY DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT, REAL ESTATE ASSESSMENT CENTER (REAC)**

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURE

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The Honorable Jennifer Vidrine, Mayor
and Members of the Board of Aldermen
City of Ville Platte, Louisiana

We have performed the procedure described in the second paragraph of this report, which was agreed to by the City of Ville Platte and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), on whether the electronic submission of certain information agrees with related hard copy documents. The City of Ville Platte is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with the 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 Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure enumerated below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart.

We were engaged to perform an audit in accordance with *Government Auditing Standards* by the City of Ville Platte, Louisiana as of and for the year ended June 30, 2019, and have issued our reports thereon dated November 12, 2019. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of that audit. Further, our opinion on the fair presentation of the City of Ville Platte's Financial Data Schedule (FDS) dated November 12, 2019, was expressed in relation to the basic financial statements of the City of Ville Platte, Louisiana taken as a whole.

A copy of the reporting package required by *Government Auditing Standards*, which includes the auditor's reports, is available in its entirety from the City of Ville Platte, Louisiana. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the City of Ville Platte, Louisiana and the U.S. Department of Housing and Urban Development, PIH-REAC, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
November 12, 2019

ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURE

UFRS Rule Information		Hard Copy Document(s)		Findings
Balance Sheet and Revenue and Expense (data line items 111 to 11210)		Financial Statement Data of Department		Agrees
Footnotes (data element G5000-010)		Footnotes to audited basic financial statements of the reporting entity		Agrees
Type of Opinion on the FDS (data element G3100-040)		Auditor's supplemental report on the FDS		Agrees

CITY OF VILLE PLATTE

Financial Data Schedule - Balance Sheet

Section 8 Housing Program

June 30, 2019

Line Item #	Account Description	14.871 Housing Choice Vouchers	97.109 Housing Assistance Grant	Total
111	Cash - unrestricted	\$ -	\$ -	\$ -
113	Cash - restricted	<u>20,479</u>	<u>206,227</u>	<u>226,706</u>
100	Total cash	<u>20,479</u>	<u>206,227</u>	<u>226,706</u>
150	Total current assets	<u>20,479</u>	<u>206,227</u>	<u>226,706</u>
164	Furniture, equipment & machinery - administration	5,925	-	5,925
166	Accumulated depreciation	<u>(5,925)</u>	<u>-</u>	<u>(5,925)</u>
160	Total capital assets, net of accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>
200	Deferred outflows of resources	<u>41,735</u>	<u>-</u>	<u>41,735</u>
190	Total assets and deferred outflows of resources	<u>\$ 62,214</u>	<u>\$ 206,227</u>	<u>\$ 268,441</u>
311	Bank overdraft	<u>169,516</u>	<u>-</u>	<u>169,516</u>
310	Total current liabilities	<u>169,516</u>	<u>-</u>	<u>169,516</u>
357	Accrued pension liability	<u>144,592</u>	<u>-</u>	<u>144,592</u>
350	Total non-current liabilities	<u>144,592</u>	<u>-</u>	<u>144,592</u>
300	Total liabilities	<u>314,108</u>	<u>-</u>	<u>314,108</u>
400	Deferred inflows of resources	<u>9,781</u>	<u>-</u>	<u>9,781</u>
511.4	Restricted net position	20,479	-	20,479
512.4	Unrestricted net position	<u>(282,154)</u>	<u>206,227</u>	<u>(75,927)</u>
513	Total equity - net position	<u>(261,675)</u>	<u>206,227</u>	<u>(55,448)</u>
600	Total liabilities, deferred inflows of resources and equity	<u>\$ 62,214</u>	<u>\$ 206,227</u>	<u>\$ 268,441</u>

CITY OF VILLE PLATTE

Financial Data Schedule - Income Statement
Section 8 Housing Program
For the Year Ended June 30, 2019

Line Item #	Account Description	14.871 Housing Choice Vouchers	97.109 Housing Assistance Grant	Total
70600	HUD PHA operating grants	\$ 659,257	\$ -	\$ 659,257
71100	Investment income -unrestricted	59	-	59
71400	Fraud recovery	4,876	-	4,876
71500	Other revenue	3,094	-	3,094
70000	Total revenue	<u>667,286</u>	<u>-</u>	<u>667,286</u>
91100	Administrative salaries	53,596	-	53,596
91200	Auditing fees	1,500	-	1,500
91500	Employee benefit contributions- administrative	19,105	-	19,105
91600	Office Expenses	10,655	-	10,655
91800	Travel	1,700	-	1,700
91900	Other	7,800	-	7,800
91000	Total Operating - Administrative	<u>94,356</u>	<u>-</u>	<u>94,356</u>
96130	Workmen's compensation	246	-	246
96100	Total insurance premiums	<u>246</u>	<u>-</u>	<u>246</u>
96900	Total operating expenses	<u>94,602</u>	<u>-</u>	<u>94,602</u>
97000	Excess of operating revenue over operating expenses	<u>572,684</u>	<u>-</u>	<u>572,684</u>
97300	Housing assistance payments	567,689	-	567,689
97350	HAP Portability-in	281	-	281
90000	Total expenses	<u>662,572</u>	<u>-</u>	<u>662,572</u>
10000	Excess of total revenue over total expenses	<u>4,714</u>	<u>-</u>	<u>4,714</u>
11030	Beginning equity	(266,389)	206,227	(60,162)
11170	Administrative Fee Equity	(282,154)	-	(282,154)
11180	Housing Assistance Payments Equity	20,479	-	20,479
11190	Unit Months Available	1,716	-	1,716
11210	Unit Months Leased	1,569	-	1,569

CITY OF VILLE PLATTE
Ville Platte, Louisiana

Statewide Agreed-Upon Procedures Report
Year Ended June 30, 2019

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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To the Management of the City of Ville Platte
And Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the City of Ville Platte and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of 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.

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

The written policies and procedures address the functions noted above.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The written policies and procedures address the functions noted above.

- c) **Disbursements**, including processing, reviewing, and approving

The written policies and procedures address the functions noted above.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The written policies and procedures address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The written policies and procedures address the functions noted above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Written policies and procedures were not adequate.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

The written policies and procedures address the functions noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Written policies and procedures were not adequate.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Written policies and procedures were not adequate.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The written policies and procedures address the functions noted above.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No written policies and procedures noted.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met at least monthly.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Two of the meetings did not reference budget to actual comparisons.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

The prior year audit report does not have a negative ending unrestricted fund balance.

Collections (excluding EFTs)

3. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
4. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted in 5 a-d.

5. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

No exceptions noted.

6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted in 6 a-e.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

7. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
8. For each location selected under #7 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions noted.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Exception noted.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Exception noted.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.)]

9. For each location selected under #7 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

No exceptions noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #8, as applicable.

No exceptions noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

10. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

11. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

Three exceptions noted.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Two of the credit cards selected had finance charges.

12. Using the monthly statements or combined statements selected under #11 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

Contracts

13. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Two contracts on the list did not have proper contracts and the other three contracts were not approved by the governing body.

Payroll and Personnel

14. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

No exceptions noted.

15. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #14 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions noted in 15 a-c.

16. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

No exceptions noted.

17. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

No exceptions noted.

Ethics

18. Using the 5 randomly selected employees/officials from procedure #14 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Employee's did not attest through signature verification that he/she read the entity's ethics policy during the fiscal year.

Management's Response:

Management of the City of Ville Platte concurs with the exceptions and are working to address the deficiencies identified.

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
November 12, 2019