

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Financial Report

Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

The Honorable Terry L. St. Romain, Mayor
and Members of the Board of Aldermen
Village of Plaquemine, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Plaquemine, Louisiana ("the Village"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Plaquemine, Louisiana, as of December 31, 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 the budgetary comparison information on page 34 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting 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.

The Village of Plaquemine, Louisiana 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 Village of Plaquemine, Louisiana's basic financial statements. The budgetary comparison schedules on pages 36 through 38 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules 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 a report dated May 26, 2020 on our consideration of the Village of Plaquemine, Louisiana'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 Village of Plaquemine, Louisiana'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 Village of Plaquemine, Louisiana's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
May 26, 2020

BASIC FINANCIAL STATEMENTS

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Net Position
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and interest-bearing deposits	\$ 150,357	\$ 284,037	\$ 434,394
Receivables, net	8,559	59,134	67,693
Restricted assets:			
Cash and interest-bearing deposits	-	146,089	146,089
Capital assets:			
Land and construction in progress	141,160	56,110	197,270
Depreciable capital assets, net	<u>188,633</u>	<u>2,895,214</u>	<u>3,083,847</u>
Total assets	<u>488,709</u>	<u>3,440,584</u>	<u>3,929,293</u>
LIABILITIES			
Accounts and other payables	6,921	44,878	51,799
Accrued interest	-	2,470	2,470
Customer deposits payable	-	85,530	85,530
Long-term liabilities:			
Portion due within one year -			
Capital lease payable	-	6,728	6,728
Bonds payable	-	32,000	32,000
Portion due after one year -			
Capital lease payable	-	9,700	9,700
Bonds payable	<u>-</u>	<u>677,000</u>	<u>677,000</u>
Total liabilities	<u>6,921</u>	<u>858,306</u>	<u>865,227</u>
NET POSITION			
Net investment in capital assets	329,793	2,234,304	2,564,097
Restricted for debt service	-	49,500	49,500
Unrestricted	<u>151,995</u>	<u>298,474</u>	<u>450,469</u>
Total net position	<u>\$ 481,788</u>	<u>\$ 2,582,278</u>	<u>\$ 3,064,066</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Activities

For the Year Ended December 31, 2019

Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Fee, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 81,461	-	\$ 2,100	-	\$ (79,361)	\$ -	\$ (79,361)
Public safety:							
Police	93,903	1,751	-	-	(92,152)	-	(92,152)
Fire	6,722	-	-	-	(6,722)	-	(6,722)
Recreation	24,105	-	-	5,800	(18,305)	-	(18,305)
Public works	4,228	-	-	-	(4,228)	-	(4,228)
Total governmental activities	<u>210,419</u>	<u>1,751</u>	<u>2,100</u>	<u>5,800</u>	<u>(200,768)</u>	<u>-</u>	<u>(200,768)</u>
Business-type activities:							
Water	<u>542,296</u>	<u>521,956</u>	<u>-</u>	<u>24,757</u>	<u>-</u>	<u>4,417</u>	<u>4,417</u>
Total	<u>\$ 752,715</u>	<u>\$ 523,707</u>	<u>\$ 2,100</u>	<u>\$ 30,557</u>	<u>(200,768)</u>	<u>4,417</u>	<u>(196,351)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					6,738	-	6,738
Sales and use taxes, levied for general purposes					42,433	-	42,433
Licenses and permits					24,331	-	24,331
Franchise taxes					19,295	-	19,295
Interest earnings					2,143	3,596	5,739
Miscellaneous					13,445	2,752	16,197
Gain on sale of capital assets					-	12,268	12,268
Transfers					90,065	(90,065)	-
Total general revenues and transfers					<u>198,450</u>	<u>(71,449)</u>	<u>127,001</u>
Change in net position					(2,318)	(67,032)	(69,350)
Net position - beginning					<u>484,106</u>	<u>2,649,310</u>	<u>3,133,416</u>
Net positoin - ending					<u>\$ 481,788</u>	<u>\$ 2,582,278</u>	<u>\$ 3,064,066</u>

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

FUND FINANCIAL STATEMENTS (FFS)

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Balance Sheet
Governmental Fund - General Fund
December 31, 2019

ASSETS	
Cash and interest-bearing deposits	\$ 150,357
Receivables:	
Taxes	3,404
Other	<u>5,155</u>
Total assets	<u>\$ 158,916</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts and other payables	<u>\$ 6,921</u>
Fund Balances:	
Unassigned	<u>151,995</u>
Total liabilities and fund balances	<u>\$ 158,916</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2019

Total fund balances for governmental funds	\$ 151,995
Capital assets, net	<u>329,793</u>
Net position at December 31, 2019	<u>\$ 481,788</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Governmental Fund
 For the Year Ended December 31, 2019

Revenues:

Taxes:	
Sales	\$ 42,433
Property	6,738
Franchise fees	19,295
Licenses and permits	24,331
Intergovernmental	9,096
Fines and forfeits	1,751
Miscellaneous	<u>14,392</u>
Total revenues	<u>118,036</u>

Expenditures:

Current -	
General government	64,518
Public safety:	
Police	88,075
Fire	6,419
Recreation	12,878
Public works	3,523
Capital outlay	<u>12,516</u>
Total expenditures	<u>187,929</u>
Deficiency of revenues over expenditures	<u>(69,893)</u>

Other financing sources:

Transfers in	<u>90,065</u>
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Net change in fund balance	20,172
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Fund balance, beginning	<u>131,823</u>
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Fund balance, ending	<u>\$ 151,995</u>
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The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Fund
to the Statement of Activities
For the Year Ended December 31, 2019

Total net change in fund balance per statement of revenues, expenditures and changes in fund balance		\$ 20,172
Capital assets:		
Capital outlay	\$ 12,516	
Depreciation expense	<u>(35,006)</u>	<u>(22,490)</u>
Change in net position per statement of activities		<u>\$ (2,318)</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Net Position
 Proprietary Fund
 December 31, 2019

ASSETS

Current assets:	
Cash and interest-bearing deposits	\$ 284,037
Receivables, net	<u>59,134</u>
Total current assets	<u>343,171</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing deposits	146,089
Capital assets:	
Land and construction in progress	56,110
Depreciable capital assets, net	<u>2,895,214</u>
Total noncurrent assets	<u>3,097,413</u>
Total assets	<u>3,440,584</u>

LIABILITIES

Current liabilities:	
Accounts payables	10,203
Salaries payable	3,440
Construction payables	31,235
Capital lease payable	6,728
Payable from restricted assets -	
Accrued interest payable	2,470
Revenue bond payable	<u>32,000</u>
Total current liabilities	<u>86,076</u>
Noncurrent liabilities:	
Customers' deposits	85,530
Capital lease payable	9,700
Revenue bond payable	<u>677,000</u>
Total noncurrent liabilities	<u>772,230</u>
Total liabilities	<u>858,306</u>

NET POSITION

Net investment in capital assets	2,234,304
Restricted for debt service	49,500
Unrestricted net position	<u>298,474</u>
Total net position	<u>\$ 2,582,278</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Fund
 For the Year Ended December 31, 2019

Operating revenues:	
Charges for services	
Water services	\$ 521,956
Miscellaneous	<u>2,752</u>
Total operating revenues	<u>524,708</u>
Operating expenses:	
Salaries	113,892
Payroll taxes	8,710
Maintenance and supplies	122,938
Utilities and telephone	28,065
Office supplies	10,809
Insurance	16,819
Professional fees	35,493
Miscellaneous	3,908
Depreciation expense	<u>169,607</u>
Total operating expenses	<u>510,241</u>
Operating income	<u>14,467</u>
Nonoperating revenues (expenses):	
Grant revenues	24,757
Interest income	3,596
Gain on sale of fixed assets	12,268
Interest expense	<u>(32,055)</u>
Total nonoperating revenues (expenses)	<u>8,566</u>
Income before transfers	23,033
Operating transfers out	<u>(90,065)</u>
Change in net position	(67,032)
Net position, beginning	<u>2,649,310</u>
Net position, ending	<u>\$ 2,582,278</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended December 31, 2019

Cash flows from operating activities:	
Receipts from customers	\$ 521,675
Payments to suppliers	(231,882)
Payments to employees	(122,602)
Other receipts	<u>2,752</u>
Net cash provided by operating activities	<u>169,943</u>
Cash flows from noncapital financing activities:	
Customer deposits	(2,344)
Transfers to other funds	<u>(90,065)</u>
Net cash used by noncapital financing activities	<u>(92,409)</u>
Cash flows from capital and related financing activities:	
Proceeds from grant revenues	24,757
Proceeds from sale of assets	6,250
Principal paid on revenue bonds payable	(31,000)
Principal paid on capital lease payable	(4,357)
Interest and fiscal charges paid on revenue bonds	(31,449)
Interest and fiscal charges paid on capital lease	(728)
Capital purchase and construction of capital assets	<u>(39,206)</u>
Net cash used by capital and related financing activities	<u>(75,733)</u>
Cash flows from investing activities:	
Purchase of interest-bearing deposits with maturity in excess of ninety days	(147,407)
Proceeds of interest-bearing deposits with maturity in excess of ninety days	95,297
Interest income	<u>3,596</u>
Net cash used by investing activities	<u>(48,514)</u>
Net change in cash and interest-bearing deposits	(46,713)
Cash and interest-bearing deposits, beginning of period	<u>329,432</u>
Cash and interest-bearing deposits, end of period	<u>\$ 282,719</u>

(continued)

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund (Continued)
 For the Year Ended December 31, 2019

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ 14,467
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	169,607
Changes in current assets and liabilities:	
Accounts receivable	(281)
Accounts payable	<u>(13,850)</u>
Net cash provided by operating activities	<u>\$ 169,943</u>

Reconciliation of cash and interest-bearing deposits per statement of cash flows to the balance sheet:

Cash and interest-bearing deposits, beginning of period -	
Cash and interest-bearing deposits - unrestricted	\$ 170,646
Cash and interest-bearing deposits - restricted	<u>158,786</u>
Total cash and interest-bearing deposits, beginning of period	<u>329,432</u>
Cash and interest-bearing deposits, end of period -	
Cash and interest-bearing deposits - unrestricted	186,630
Cash and interest-bearing deposits - restricted	<u>96,089</u>
Total cash and interest-bearing deposits, end of period	<u>282,719</u>
Net change in cash and interest-bearing deposits	<u>\$ (46,713)</u>

Supplemental Disclosure of Cash Flow Information:

Noncash capital and related financing transactions:	
Equipment obtained through capital lease	<u>\$ 26,803</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Village of Plaquemine (Village) 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 the subsequent subsections of this note.

A. Financial Reporting Entity

The Village of Plaquemine was incorporated in 1903 under the provisions of the Lawrason Act. The Village is governed by its Mayor and Board of Alderman consisting of three members.

This report includes all funds that are controlled by or dependent on the Village executive and legislative branches (the Mayor and Board of Alderman). Control by or dependence on the Village was determined on the basis of budget adopting, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

The Village of Plaquemine is a primary government and has no component units. The accompanying financial statements present information only on the funds maintained by the Village and do not present information on any other governmental unit.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements provide operational accountability information for the Village as an economic unit. The government-wide financial statements report the Village's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities and all business-type activities of the primary government.

Fund Financial Statements

The accounts of the Village are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures/expenses, and transfers.

Major funds are determined as funds whose revenues, expenditures/expenses, assets and deferred outflows of resources or liabilities and deferred inflows of resources are at least ten percent of the totals for all governmental or enterprise funds and at least five percent of the aggregate amount for all governmental and enterprise funds for the same item or funds designated as major at the discretion of the Village.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements. The Village uses the following funds, grouped by fund type.

Governmental Fund -

Governmental Funds are those through which most governmental functions of the Village are financed. The acquisition use and balances of the Village's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

General Fund

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

Proprietary Fund –

Proprietary funds are used to account for ongoing operations and activities that are similar to those often found in the private sector where the intent is that costs of providing goods and services are recovered through user charges. The proprietary fund maintained by the Village is the enterprise fund.

Enterprise fund

The Enterprise Fund is used to report activities for which a fee is charged to external users. This fund accounts 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 are 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 Village's enterprise fund is the Water Utility Fund.

C. Measurement Focus/Basis of Accounting and Financial Statement Presentation

The measurement focus determines the accounting and financial reporting treatment applied to a fund. The governmental and business-type activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows.

The fund financial statements use either the current financial resources measurement focus or the economic resources measurement focus as appropriate. Governmental funds use the current financial resources measurement focus. The

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income. The measurement focus of the proprietary fund types, the flow of economic resources, is based upon determination of net income, net position and cash flows.

The accrual basis of accounting is used throughout the government-wide statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this is grants collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. The Village considers reimbursement amounts received within one year as available. The Village accrues intergovernmental revenue, ad valorem and sales tax revenue, franchise fees, and charges for services based upon this concept. Expenditures generally are recognized when the related fund liabilities are incurred and become payable in the current period. Proceeds of debt are reported as other financing sources, and principal and interest on long-term debt, as well as expenditure related to compensated absences and claims and judgments, are recorded as expenditures when paid.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursement for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the Village. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the Village and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The financial statements of the enterprise funds have been prepared in accordance with the accrual basis of accounting. Accordingly, revenues are recorded when earned, and expenses and related liabilities are recorded when incurred.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

D. Asset, 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 cash on hand, demand accounts, savings accounts, and certificates of deposits of the Village. Under state law, the Village may deposit funds within a fiscal agent bank organized under the laws of the state of Louisiana, the laws of any other state in the union, or the laws of the United States of America. The Village may invest in certificates and time deposits of state banks organized under Louisiana laws and national banks having principal offices in Louisiana.

For the purpose of the proprietary funds statement of cash flows, “cash and interest-bearing deposits” include all demand deposits and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem, sales and use taxes, and franchise taxes. Business-type activities report customers’ utility service receivables as their major receivables. Uncollectible amounts due from utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular, receivable. Allowance for uncollectible receivables was \$7,088 at December 31, 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.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Village in October and are actually billed to taxpayers in November. The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Avoyelles Parish. Village property tax revenues are budgeted in the year billed.

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.”

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

Restricted Assets

Restricted assets include cash and interest-bearing deposits that are legally restricted as to their use. The restricted assets in the water utility fund are related to the water revenue bond accounts, utility meter deposits and grant proceeds.

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 cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$1,000 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 asset lives are not capitalized. Prior to July 1, 2003, 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, furniture and fixtures	5-25 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 funds upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

Compensated Absences

Full-time employees of the Village earn from 5 to 10 days of vacation each year (depending on the length of service). Vacation time may be accumulated up to 16 hours and taken in future years; however, at termination or retirement, vacation time will be forfeited, and the employee will not be paid for any remaining vacation time.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

Full-time employees of the Village also earn sick leave of 12 days per year. Sick leave may be accumulated and taken in future years, however, at termination or retirement, sick leave will be forfeited, and the employee will not be paid for any remaining sick leave.

No accruals for accumulated unused compensated absences have been made in these financial statements due to the amount being immaterial.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used for 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 of water revenue bonds payable and a capital lease payable.

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 financial statements as it is in the government-wide statements.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period (s) and so will not be recognized as an inflow of resources (revenue) until that time.

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 capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

- b. Restricted net position consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, laws or regulations of other governments; or (2) laws through constitutional provisions or enabling legislation. It is the Village's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.
- c. Unrestricted net position consists of all other net assets, deferred outflows of resources, liabilities and deferred inflows of resources that do 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 balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

- a. Non-spendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints requiring they remain intact.
- b. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, contributors, or amounts constrained due to constitutional provisions or enabling legislation or the laws or regulations of other governments.
- c. Committed includes fund balance amounts that can be used only for specific purposes that are internally imposed by the Village through formal legislative action of the Mayor and Board of Aldermen and does not lapse at year end. A committed fund balance constraint can only be established, modified or rescinded by passage of an ordinance (law) by the Mayor and Board of Aldermen.
- d. Assigned includes fund amounts that are constrained by the Village's intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directive from the Village administrator and approval of a resolution by the Mayor and Board of Aldermen.
- e. Unassigned includes fund balance amounts which have not been classified within the above-mentioned categories.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

It is the Village's policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Village uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

Propriety fund equity is classified the same as in government-wide statements.

E. Revenues, Expenditures, and Expenses

Revenues

The Village considers revenue to be susceptible to accrual in the governmental funds as it becomes measurable and available, as defined under the modified accrual basis of accounting. The Village generally defines the availability period for revenue recognition as received within sixty (60) days of year end. The Village's major revenue sources that meet this availability criterion are intergovernmental revenues, franchise fees, tax revenue, and charges for services.

There are two classifications of programmatic revenues for the Village, grant revenue and program revenue. Grant revenues are revenues from federal, state, and private grants. These revenues are recognized when all applicable eligibility requirements are met and are reported as intergovernmental revenues. Program revenues are derived directly from the program itself or from parties outside the Village's taxpayers or citizenry, as a whole. Programs revenues reduce the cost of the function to be financed from the Village's general revenues. The primary sources of program revenue are fees, fines, and charges paid by recipients of goods or services, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and earned income in connection with the operation of the Village's utility system.

Interest income is recorded as earned in the fund holding the interest-bearing asset.

Substantially all other revenues are recorded when received.

Operating Revenues and Expenses

In the proprietary funds, operating revenues are those revenues produced as a result of providing services and producing and delivering goods and/or services. Nonoperating revenues are funds primarily provided by investing activities, such as financial institution interest income, gains on disposal of assets and insurance recoveries on property loss. Operating expenses are those expenses related to the production of revenue. Nonoperating expenses are those expenses not directly related to the production of revenue and include items such as interest expense and losses on disposal of assets.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

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 and proprietary funds have been eliminated.

F. Revenue Restrictions

The Village 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 of Use</u>
Water revenue	See Note 6

The Village uses unrestricted resources only when restricted resources are fully depleted.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenditures during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

(2) Cash and Interest-Bearing Deposits

Under state law, the Village may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Village may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Village's deposits may not be recovered, or the Village will not be able to recover collateral securities that are in the possession of an outside party. The Village does not have a policy for custodial credit risk however, under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent 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. The following is a summary of deposit balances (bank balances) and the related federal insurance and pledged securities:

Bank balances	<u>\$ 587,724</u>
Federal deposit insurance	\$ 565,494
Uninsured and collateral held by pledging bank, not in Village's name	<u>22,230</u>
Total	<u>\$ 587,724</u>

(3) Restricted Assets

Restricted assets of business-type activities consisted of the following:

Customer meter deposits	\$ 85,530
LCDBG grant	181
Bond and interest sinking fund	10,878
Water depreciation and contingency fund	<u>49,500</u>
Total enterprise utility fund restricted assets	<u>\$ 146,089</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

(4) Capital Assets

Capital asset activity was as follows:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Governmental activities:				
Capital assets not being depreciated -				
Land	\$ 141,160	\$ -	\$ -	\$ 141,160
Other capital assets -				
Buildings and improvements	286,053	-	-	286,053
Infrastructure	349,243	-	-	349,243
Equipment, furniture and fixtures	<u>142,203</u>	<u>12,516</u>	<u>-</u>	<u>154,719</u>
Total capital assets	<u>918,659</u>	<u>12,516</u>	<u>-</u>	<u>931,175</u>
Less accumulated depreciation -				
Buildings and improvements	215,522	8,895	-	224,417
Infrastructure	245,765	15,990	-	261,755
Equipment, furniture and fixtures	<u>105,089</u>	<u>10,121</u>	<u>-</u>	<u>115,210</u>
Total accumulated depreciation	<u>566,376</u>	<u>35,006</u>	<u>-</u>	<u>601,382</u>
Governmental activities, capital assets, net	<u>\$ 352,283</u>	<u>\$ (22,490)</u>	<u>\$ -</u>	<u>\$ 329,793</u>
	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Construction in progress	<u>-</u>	<u>51,110</u>	<u>-</u>	<u>51,110</u>
Total capital assets not being depreciated	<u>5,000</u>	<u>51,110</u>	<u>-</u>	<u>56,110</u>
Capital assets being depreciated:				
Water system	4,771,062	-	-	4,771,062
Machinery and equipment	<u>242,431</u>	<u>47,116</u>	<u>37,086</u>	<u>252,461</u>
Total capital assets being depreciated	<u>5,013,493</u>	<u>47,116</u>	<u>37,086</u>	<u>5,023,523</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

	Balance Beginning	Additions	Deletions	Balance Ending
Less accumulated depreciation				
Water system	1,739,435	154,960	-	1,894,395
Machinery and equipment	<u>255,371</u>	<u>14,647</u>	<u>36,104</u>	<u>233,914</u>
Total accumulated depreciation	<u>1,994,806</u>	<u>169,607</u>	<u>36,104</u>	<u>2,128,309</u>
Total capital assets being depreciated, net	<u>3,018,687</u>	<u>(122,491)</u>	<u>982</u>	<u>2,895,214</u>
Business-type activities, capital assets, net	<u>\$ 3,023,687</u>	<u>\$ (71,381)</u>	<u>\$ 982</u>	<u>\$ 2,951,324</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 16,943
Police	5,828
Fire	705
Public works	303
Recreation	<u>11,227</u>
Total depreciation expense	<u>\$ 35,006</u>

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

Water	<u>\$ 169,607</u>
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(5) Long-Term Liabilities

The following is a summary of long-term liability transactions of the Village:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount due in one year
Business-type activities					
Capital lease	\$ -	\$ 20,785	\$ 4,357	\$ 16,428	\$ 6,728
Water revenue bonds	<u>740,000</u>	<u>-</u>	<u>31,000</u>	<u>709,000</u>	<u>32,000</u>
Total	<u>\$ 740,000</u>	<u>\$ 20,785</u>	<u>\$ 35,357</u>	<u>\$ 725,428</u>	<u>\$ 38,728</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

Bonds payable at December 31, 2019 were comprised of the following:

\$825,000 Water Revenue Refunding Bonds, Series 2016, due in annual installments of \$28,000 to \$59,000 through December 1, 2035; interest at 4.25%; secured by water utility fund revenues.

\$ 709,000

Annual debt service requirement of bonds outstanding was as follows:

<u>Year Ended December 31,</u>	<u>Business-Type Activities</u>	
	<u>Principal payments</u>	<u>Interest payments</u>
2020	\$ 32,000	\$ 30,132
2021	33,000	28,772
2022	35,000	27,370
2023	36,000	25,882
2024	38,000	24,352
2025-2029	214,000	96,264
2030-2034	262,000	46,920
2035	59,000	2,508
Total	<u>\$ 709,000</u>	<u>\$ 282,200</u>

The Village is obligated under one capital lease. The leased asset is recorded as a capital asset valued at \$42,785 with accumulated depreciation of \$2,852. The debt related to this capital lease is recorded as long-term debt in the enterprise fund. The following is a schedule of future minimum lease payments under this capital lease and the present value of the net minimum lease payments at December 31, 2019.

<u>Year Ended December 31,</u>	<u>Business Type Activities</u>
2020	\$ 7,627
2021	7,627
2022	<u>2,542</u>
Total minimum lease payments	17,796
Less amount representing interest	<u>(1,368)</u>
Present value of minimum lease payments	<u>\$ 16,428</u>

Depreciation of the asset under capital lease in the amount of \$2,852 is included in the depreciation expense of business-type activities for the year ended December 31, 2019

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

(6) Flow of Funds: Restriction on Use – Water Revenues

The revenues of the water system are partially pledged to retire the bonds dated January 26, 2016. The bond resolutions of the Water Revenue Refunding Bonds, Series 2016 requires the establishment and maintenance of the following bank accounts:

Water Revenue Bond and Interest Sinking Fund
Water Depreciation and Contingency Fund

The Water System Fund is required to transfer the following amounts into the Water Revenue Bond and Interest Sinking fund on or before the 20th day of each month.

<u>December to November</u>	<u>Amount</u>
2018 - 2019	\$ 5,204
2019 - 2020	5,178
2020 - 2021	5,148
2021 - 2022	5,198
2022 - 2023	5,157
2023 - 2024	5,196
2024 - 2025	5,145
2025 - 2026	5,173
2026 - 2027	5,195
2027 - 2028	5,209
2028 - 2029	5,133
2029 - 2030	5,137
2030 - 2031	5,134
2031 - 2032	5,123
2032 - 2033	5,189
2033 - 2034	5,161
2034 - 2035	5,126

The Water System Fund is also required to transfer on or before the 20th day of each month, a sum equal to five percent (5%) of the net revenues of the water system into the Depreciation and Contingency Fund until a sum of \$75,000 is accumulated in the account. Should the sum on deposit in the Contingency Fund fall below \$75,000 at any time, then the monthly deposits set forth above will recommence until \$75,000 is on deposit.

For the year ended December 31, 2019, the Village did not make the required deposits into the Depreciation and Contingency Fund in accordance with the bond agreement.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

(7) Sales and Use Tax

The proceeds of the 1% sales and use tax levied by the Village are dedicated to the following purposes:

Constructing, acquiring, improving and/or maintaining a new municipal building for the Village, including the purchasing and acquiring the necessary land, equipment, and furnishings for the building to be utilized as a public meeting hall and for recreational purposes; and for any lawful corporate purpose of the Village. The tax is subject to funding into bonds by the Village for any one or more of the foregoing purposes.

(8) Interfund Transactions

Transfers consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 90,065	\$ -
Enterprise Fund:		
Water Utility Fund	<u>-</u>	<u>90,065</u>
Total	<u>\$ 90,065</u>	<u>\$ 90,065</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 to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(9) Compensation, Benefits and Other Payments to Mayor

A detail of compensation, benefits and other payments paid to Mayor Terryl St. Romain for the year ended December 31, 2019 is as follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 3,600
Benefits - payroll taxes	263
Reimbursements	632
Hotels	418
Conference registration fees	200
Travel	<u>215</u>
	<u>\$ 5,328</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

(10) Compensation Paid to Village Officials

A detail of compensation paid to the Board of Aldermen for the year ended December 31, 2019 follows:

<u>Aldermen:</u>	<u>Salary</u>
Robbie Plauche	\$ 1,200
Guy Lemoine	1,200
Craig Gremillion	<u>1,200</u>
	<u>\$ 3,600</u>

(11) Litigation and Claims

At December 31, 2019, the Village was not involved in any lawsuits claiming damages that would not be adequately covered by liability insurance.

(12) Risk Management

The Village 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 insurance coverage for the past three years.

(13) New Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a signal model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after December 15, 2019. The effect of implementation on the Village's financial statements has not yet been determined.

SUPPLEMENTARY INFORMATION

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Sales	\$ 30,000	\$ 43,577	\$ 42,433	\$ (1,144)
Property	9,500	13,035	6,738	(6,297)
Franchise fees	17,500	19,168	19,295	127
Licenses and permits	15,500	15,139	24,331	9,192
Intergovernmental	1,050	15,590	9,096	(6,494)
Fines and forfeits	5,500	1,881	1,751	(130)
Miscellaneous	10,550	13,831	14,392	561
Total revenues	<u>89,600</u>	<u>122,221</u>	<u>118,036</u>	<u>(4,185)</u>
Expenditures:				
Current -				
General government:	68,550	81,971	64,518	17,453
Public safety:				
Police	78,850	95,286	88,075	7,211
Fire	6,300	6,802	6,419	383
Culture and recreation	10,000	13,415	12,878	537
Public works	6,000	1,453	3,523	(2,070)
Capital outlay	-	8,255	12,516	(4,261)
Total expenditures	<u>169,700</u>	<u>207,182</u>	<u>187,929</u>	<u>19,253</u>
Deficiency of revenues over expenditures	<u>(80,100)</u>	<u>(84,961)</u>	<u>(69,893)</u>	<u>15,068</u>
Other financing sources:				
Operating transfers in	81,000	84,500	90,065	5,565
Proceeds from the sale of capital assets	-	698	-	(698)
Total other financing sources	<u>81,000</u>	<u>85,198</u>	<u>90,065</u>	<u>4,867</u>
Net change in fund balance	900	237	20,172	19,935
Fund balance, beginning	<u>131,823</u>	<u>131,823</u>	<u>131,823</u>	<u>-</u>
Fund balance, ending	<u>\$ 132,723</u>	<u>\$ 132,060</u>	<u>\$ 151,995</u>	<u>\$ 19,935</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to the Budgetary Comparison Schedule
For the Year Ended December 31, 2019

(1) Budget and Budgetary Accounting

The Village follows the following procedures in establishing the budget:

1. The Mayor meets with the Board of Aldermen to review the prior year revenue and expenditures as a basis for projecting the current fiscal year budget.
2. Anticipated changes from the prior year are taken into account and reflected in the projections.
3. Once adopted, the budget is made available for public inspection and a budget summary is published in the Village's designated official journal.
4. The Village does not formally integrate its budget as a management tool.
5. All budgetary appropriations lapse at the end of the fiscal year.
6. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget amounts are as originally adopted, or as amended by the Mayor and Board of Aldermen. Such amendments were not material in relation to the original appropriations.

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Taxes:				
Sales	\$ 30,000	\$ 43,577	\$ 42,433	\$ (1,144)
Property taxes	9,500	13,035	6,738	(6,297)
Franchise -				
Electric	11,000	11,661	11,661	-
Gas	2,000	2,501	2,576	75
Cable TV	4,000	4,193	4,245	52
Telephone	<u>500</u>	<u>813</u>	<u>813</u>	<u>-</u>
Total taxes	<u>57,000</u>	<u>75,780</u>	<u>68,466</u>	<u>(7,314)</u>
Licenses and permits:				
Occupational licenses	<u>15,500</u>	<u>15,139</u>	<u>24,331</u>	<u>9,192</u>
Intergovernmental:				
State of Louisiana -				
State grants	-	12,294	5,800	(6,494)
State mowing agreement	1,050	2,100	2,100	-
Gaming revenue	<u>-</u>	<u>1,196</u>	<u>1,196</u>	<u>-</u>
Total intergovernmental	<u>1,050</u>	<u>15,590</u>	<u>9,096</u>	<u>(6,494)</u>
Fines and forfeits:				
Fines and court costs	<u>5,500</u>	<u>1,881</u>	<u>1,751</u>	<u>(130)</u>
Miscellaneous:				
Interest	50	2,155	2,143	(12)
Hall rentals	8,500	11,500	11,375	(125)
Other sources	<u>2,000</u>	<u>176</u>	<u>874</u>	<u>698</u>
Total miscellaneous	<u>10,550</u>	<u>13,831</u>	<u>14,392</u>	<u>561</u>
Total revenues	<u>\$ 89,600</u>	<u>\$ 122,221</u>	<u>\$ 118,036</u>	<u>\$ (4,185)</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2019

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Current:				
General government:				
Administrative -				
Mayor and council salaries	\$ 7,500	\$ 8,500	\$ 7,200	\$ 1,300
Other salaries and wages	20,000	30,000	17,771	12,229
Insurance	8,000	10,308	8,438	1,870
Payroll taxes	2,050	4,500	1,901	2,599
Maintenance and supplies	3,000	3,854	5,742	(1,888)
Advertisements and publishing	1,500	1,116	1,036	80
Office supplies and postage	500	979	934	45
Professional fees	3,000	3,350	648	2,702
Miscellaneous	5,500	2,733	3,940	(1,207)
Utilities and telephone	16,500	14,521	14,942	(421)
Dues and subscriptions	250	1,360	1,360	-
Sales tax collection fee	750	750	606	144
Total administrative	<u>68,550</u>	<u>81,971</u>	<u>64,518</u>	<u>17,453</u>
Public safety:				
Police -				
Salaries	51,500	65,000	65,522	(522)
Payroll taxes	4,000	6,500	5,008	1,492
Supplemental pay	1,000	-	-	-
Utilities and telephone	200	2,882	-	2,882
Gas, oil and repairs	5,000	1,724	2,098	(374)
Insurance	13,000	16,344	12,746	3,598
Miscellaneous	4,150	2,836	2,701	135
Total police department	<u>78,850</u>	<u>95,286</u>	<u>88,075</u>	<u>7,211</u>
Fire -				
Contract labor	1,800	1,800	1,800	-
Insurance	4,500	5,002	4,619	383
Total fire	<u>6,300</u>	<u>6,802</u>	<u>6,419</u>	<u>383</u>

(continued)

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended December 31, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Recreation:				
Cleaning and janitorial	7,000	7,493	7,457	36
Insurance	-	3,100	2,849	251
Repairs and maintenance	2,500	2,784	2,534	250
Miscellaneous	500	38	38	-
Total recreation	<u>10,000</u>	<u>13,415</u>	<u>12,878</u>	<u>537</u>
Public works:				
Insurance	3,000	-	223	(223)
Repairs and maintenance	<u>3,000</u>	<u>1,453</u>	<u>3,300</u>	<u>(1,847)</u>
Total public works	<u>6,000</u>	<u>1,453</u>	<u>3,523</u>	<u>(2,070)</u>
Capital outlay:				
General government	-	-	4,714	(4,714)
Recreation	-	8,255	7,802	453
Total capital outlay	<u>-</u>	<u>8,255</u>	<u>12,516</u>	<u>(4,261)</u>
Total expenditures	<u>\$ 169,700</u>	<u>\$ 207,182</u>	<u>\$ 187,929</u>	<u>\$ 19,253</u>

**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 Terryl St. Romain, Mayor
and Members of the Board of Aldermen
Village of Plaquemine, 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, and each major fund of the Village of Plaquemine, Louisiana as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village of Plaquemine's basic financial statements and have issued our report thereon dated May 26, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Plaquemine's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Plaquemine's internal control. Accordingly, we do not express an opinion of the effectiveness of the Village of Plaquemine'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 Village of Plaquemine'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 were not 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 certain deficiencies in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2019-001 through 2019-003 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Plaquemine's financial statements are free of 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 statements 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2019-004.

Village of Plaquemine, Louisiana's Response to Findings

The Village of Plaquemine's response to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The Village of Plaquemine'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. Although the intended use of this report may be limited, 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

Alexandria, Louisiana
May 26, 2020

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2019

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2019-001 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: unknown

CONDITION: The Village of Plaquemine does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

CRITERIA: AU-C §265.A37 identifies the following as a deficiency in the design of (internal) controls:

“... in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.”

CAUSE: The cause of the condition is the result of a failure to design or implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Financial statements and related supporting transactions may reflect a material departure from generally accepted accounting principles.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Mr. Terryl St. Romain, Mayor has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP and determined that it is in the best interests of the Village to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan
Year Ended December 31, 2019

2019-002 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: unknown

CONDITION: The Village of Plaquemine did not have adequate segregation of functions within the accounting system.

CRITERIA: AU-C §315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is the fact that Village does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and, whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Village agrees that a complete segregation of accounting functions would strengthen controls, but with limited current financial resources, we are not able to hire additional personnel at this time.

2019-003 Utility Accounts Receivable and Customer Deposits Subsidiary Ledger

Fiscal year finding initially occurred: 2018

CONDITION: The Village is not reconciling the subsidiary ledgers for utility accounts receivables and customer deposits to the meter cash account balances and general ledger accounts on a regular basis.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan
Year Ended December 31, 2019

CRITERIA: Internal controls should be in place to reconcile the subsidiary ledgers for utility accounts receivable and customer deposits to the general ledger and cash account to ensure all activity is properly recorded.

CAUSE: The cause of the condition is the fact that the Village is not reconciling the accounts receivables and customer deposit subsidiary ledgers to the general ledgers on a monthly basis.

EFFECT: Failure to reconcile these subsidiary ledgers could result in cash missing and customers not receiving proper credit on billings and their deposits.

RECOMMENDATION: The accounts receivable and customer deposit subsidiary ledgers should be reconciled to the cash account and general ledger on a monthly basis.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Village administration will review procedures related to the collection and recording of utility receivables and deposits to ensure procedures are in place to reconcile subsidiary ledgers on monthly basis.

B. Compliance and Other Matters

2019-004 Water Revenue Bonds Compliance – Depreciation/Contingency Requirements

Fiscal year finding initially occurred: 2019

CONDITION: The Village did not make the required payments into the Depreciation/Contingency Fund on a monthly basis as required by the Water Revenue Bonds, Series 2016 agreement.

CRITERIA: Compliance requirements related to the Water Revenue Bonds, Series 2016 agreement.

CAUSE: The Village did not effectively monitor the monthly payments into the Depreciation/Contingency Fund.

EFFECT: The Village was not in compliance with the Water Revenue Bonds, Series 2016 debt covenants.

RECOMMENDATION: The Village should monitor all required debt service payments to ensure compliance with debt covenants.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan
Year Ended December 31, 2019

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Village administration will review procedures related to debt service payments to ensure procedures are in place to monitor compliance with all debt covenants.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2018-001 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: unknown

CONDITION: The Village of Plaquemine does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Unresolved. See item 2019-001.

2018-002 Inadequate Segregation of Functions

Fiscal year finding initially occurred: unknown

CONDITION: The Village of Plaquemine did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See item 2019-002.

2018-003 Policies and procedures

Fiscal year finding initially occurred: 2018

CONDITION: The Village has not adopted written policies and procedures for budgets, purchasing, processing disbursements, receipts, payroll, contracting, credit cards, travel and expense reimbursement, ethics and debt service.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan
Year Ended December 31, 2019

RECOMMENDATION: Management should adopt formal written policies and procedures for each of the functions noted above.

CURRENT STATUS: Resolved.

2018-004 Utility Accounts Receivable and Customer Deposits Subsidiary Ledger

Fiscal year finding initially occurred: 2018

CONDITION: The Village is not maintaining an accurate subsidiary ledger for utility accounts receivables and customer deposits, and the subsidiary ledgers are not being reconciled to the meter cash account balances and general ledger accounts.

RECOMMENDATION: The Village should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statute.

CURRENT STATUS: Unresolved. See item 2019-003.

B. Compliance and Other Matters

2018-005 Budget Compliance

Fiscal year finding initially occurred: 2018

CONDITION: A budget variance in excess of 5% occurred in the General Fund.

RECOMMENDATION: The Village should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statute.

CURRENT STATUS: Resolved.

2018-006 Theft of Utility System Property

Fiscal year finding initially occurred: 2018

CONDITION: In October 2017, the utility superintendent discovered the theft of miscellaneous materials and supplies located at the utility system maintenance yard. The theft was reported to the local authorities in a timely manner, and as a result of the investigation an employee was arrested and charged with theft of utility property and unauthorized entry of a critical infrastructure.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan
Year Ended December 31, 2019

RECOMMENDATION: It is recommended that the Village administration should continue to monitor, enhance and enforce its internal control policies and procedures in an effort to reduce the risk of theft of Village assets.

CURRENT STATUS: Resolved.

2018-007 Bid Law Noncompliance

Fiscal year finding initially occurred: 2018

CONDITION: The Village purchased land for \$32,500 but did not properly follow LSA-R.S. 33:4712.10.

CRITERIA: LSA-R.S. 33:4712.10 Purchase of immovable property by political subdivisions; appraisal required. "Notwithstanding any other provision of law to the contrary, no political subdivision shall purchase immovable property with a value greater than three thousand dollars unless prior to such purchase the property has been appraised by a qualified appraiser. No such appraisal shall include the value of improvements proposed to be made to the property after purchase by the political subdivision."

RECOMMENDATION: Management should comply with the requirements of LSA RS 33:4712.10 by obtaining an appraisal, as applicable, to ensure compliance with the bid law.

CURRENT STATUS: Resolved.

Village of Plaquemine
Plaquemine, Louisiana

Statewide Agreed-Upon Procedures Report

Fiscal Period January 1, 2019 through December 31, 2019

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Alderman of the
Village of Plaquemine, Louisiana and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Village of Plaquemine, Louisiana ("Entity") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 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 this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - 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.
 - c) **Disbursements**, including processing, reviewing, and approving.

- 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).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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.
- 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)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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 system and software patches/ updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Board or Finance Committee

- 2. We obtained and inspected 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) We observed 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.
 - b) For those entities reporting on the governmental accounting model, we observed 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.*

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

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections

- 4. Obtained 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 selected 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected 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 observed 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.

6. Inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected 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.* Obtained supporting documentation for each of the 10 deposits and:
 - a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed 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) Traced the actual deposit per the bank statement to the general ledger.

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

8. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquired of employees about their job duties), and observed 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.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - 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.
10. For each location selected under #8 above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:

- a) Observed that the disbursement matched the related original invoice/billing statement.
- b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

- 11. Obtained 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. Obtained management's representation that the listing is complete.
- 12. Using the listing prepared by management, randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
 - a) Observed 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, 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.]]
 - b) Observed that finance charges and late fees were not assessed on the selected statements.
- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observed 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).

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- 14. Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

- d) Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

- 15. Obtained 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. Obtained management's representation that the listing is complete. Randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observed 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) Observed 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), observed that the original contract terms provided for such an amendment.
 - d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

- 16. Obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtained attendance records and leave documentation for the pay period, and:
 - a) Observed 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) Observed that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. Obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee/officials' cumulate leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

19. Obtained 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.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtained ethics documentation from management, and:
 - a. Observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observed 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.

Debt Service

21. Obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Selected all bonds/notes on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.

Other

23. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings:

In accordance with the Statewide Agreed-Upon Procedures, certain categories may be excluded from testing. Therefore, the following categories were not tested this year: Contracts, Ethics and Debt Service.

No exceptions were found as a result of applying procedures listed above except:

Written Policies:

The Village of Plaquemine does not have written policies and procedures addressing the types of services requiring written contracts.

The Village of Plaquemine does not have written policies and procedures addressing the dollar thresholds by category of expense for travel and expense reimbursement.

The Village of Plaquemine does not have written policies and procedures addressing the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, actions to be taken if an ethics violation takes place, and system to monitor possible ethics violations.

The Village of Plaquemine does not have written policies and procedures addressing debt issuance approval and EMMA reporting requirements.

The Village of Plaquemine does not have written policies and procedures addressing Disaster Recovery/Business Continuity.

Board:

The Village of Plaquemine does not reference monthly budget-to-actual comparisons for the General Fund in their minutes.

Bank Reconciliations:

4 out of the 5 bank reconciliations examined for the Village of Plaquemine, did not include evidence of management researching reconciling items outstanding more than 12 months from the statement closing date.

Collections:

At one deposit site of the Village of Plaquemine, the person responsible for collecting cash, is also responsible for preparing/making bank deposits, recording the deposit into the general ledger and reconciling the bank statement.

At one deposit site of the Village of Plaquemine, the person responsible for collecting cash, is also responsible for preparing/making bank deposits and recording the deposit into the subsidiary ledger.

The Village of Plaquemine does not issue sequentially pre-number receipts.

Credit/ Debit/ Fuel Cards:

There was no evidence that the monthly statements were reviewed and approved by someone other than the cardholder.

Management's Response:

Management of the Village of Plaquemine concurs with the exceptions and is 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

Alexandria, Louisiana
May 26, 2020