

TOWN OF PLAIN DEALING, LOUISIANA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2019

MARSHA O. MILLICAN
A PROFESSIONAL ACCOUNTING CORPORATION
SHREVEPORT, LOUISIANA

TOWN OF PLAIN DEALING

December 31, 2019

Table of Contents

	<u>Exhibit</u>	<u>Schedule</u>	<u>Page</u>
Independent Auditor's Report	-	-	1
Management's Discussion And Analysis	-	-	4
Financial Statements:			
Statement of Net Position	A	-	10
Statement of Activities	B	-	11
Balance Sheet-Governmental Funds	C	-	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	-	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	E	-	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	-	15
Statement of Net Position-Proprietary Funds	G	-	16
Statement of Revenues, Expenditures, and Changes in Net Position-Proprietary Funds	H	-	17
Statement of Cash Flows-Proprietary Funds	I	-	18
Notes to the Financial Statements	-	-	19
Required Supplementary Information:			
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds-Budget (GAAP Basis) and Actual-General Fund	-	1	37
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds-Budget (GAAP Basis) and Actual-Sales Tax Fund	-	2	38
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds-Budget (GAAP Basis) and Actual-Industrial Development Fund	-	3	39
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds-Budget (GAAP Basis) and Actual-Capital Projects Fund	-	4	40

INDEPENDENT AUDITOR'S REPORT



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report

To the Mayor and Members
of the Board of Aldermen
Town of Plain Dealing, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Plain Dealing, Louisiana, as of and for the year ended December 31, 2019, and the related notes to the 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

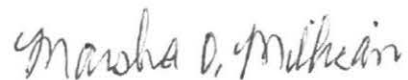
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Plain Dealing, Louisiana, as of December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Plain Dealing's internal control over financial reporting or on compliance.

A handwritten signature in cursive script, reading "Marsha A. Minkin".

Certified Public Accountant
June 27, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF PLAIN DEALING, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019

The Management's Discussion and Analysis of the Town of Plain Dealing's financial performance presents a narrative overview and analysis of the Town of Plain Dealing's financial activities for the year ended December 31, 2019. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Town of Plain Dealing's financial statements.

FINANCIAL HIGHLIGHTS

Governmental Activities

- 1) The Town of Plain Dealing had cash and investments of \$1,719,305 at December 31, 2019, which represents a decrease of \$209,923 from prior year end.
- 2) The Town of Plain Dealing had accounts receivable of \$21,872 at December 31, 2019 which represents a decrease of \$4,771 from prior year end.
- 3) The Town of Plain Dealing had accounts payable and accruals of \$89,191 at December 31, 2019 which represents a decrease of \$21,184 from prior year end.
- 4) The Town of Plain Dealing had total revenues of \$923,003 for the year ended December 31, 2019 which represents a decrease of \$20,550 from prior year end.
- 5) The Town of Plain Dealing had total expenses of \$925,214 for the year ended December 31, 2019 which represents a decrease of \$368,066 from prior year end.
- 6) The Town of Plain Dealing had capital asset purchases of \$302,684 for the year ended December 31, 2019 which represents an increase of \$302,684 from prior year.

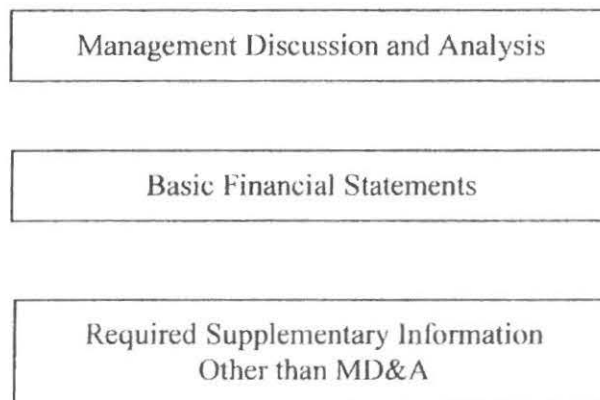
Business-Type Activities

- 1) The Town of Plain Dealing had cash and investments of \$606,713 for the year ended December 31, 2019 which represents an increase of \$14,079 from prior year.
- 2) The Town of Plain Dealing had accounts receivable of \$56,735 for the year ended December 31, 2019 which represents an increase of \$1,480 from prior year.
- 3) The Town of Plain Dealing had accounts payable and accruals of \$32,616 for the year ended December 31, 2019 which represents an increase of \$18,198 from prior year.
- 4) The Town of Plain Dealing had total revenues of \$502,599 for the year ended December 31, 2019 which represents a decrease of \$433,919 from prior year.
- 5) The Town of Plain Dealing had total expenses of \$692,389 for the year ended December 31, 2019 which represents an increase of \$6,157 from prior year.
- 6) The Town of Plain Dealing received through capital projects and purchases capital assets of \$3,250 for the year ended December 31, 2019 which represents a decrease of \$455,773 from prior year.

TOWN OF PLAIN DEALING, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Town of Plain Dealing as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.



These financial statements consist of three sections-Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town of Plain Dealing as a whole and present a longer-term view of the Town's finances. Fund financial statements are also included. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

Reporting the Town as a Whole

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

TOWN OF PLAIN DEALING, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

These two statements report the Town's net position and changes in them. You can think of the Town's net position, the difference between assets and liabilities, as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

Governmental Activities

Most of the Town's basic services are reported here. Taxes, licenses and permits, interest income, rental income, fines and forfeits, and miscellaneous other revenues finance most of these activities.

Business-Type Activities

The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water system, sewer system, and cemeteries are reported here.

Reporting the Town's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town Board of Aldermen may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds

Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's activities as well as what remains for future spending.

Proprietary Funds

When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the Town's enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows.

TOWN OF PLAIN DEALING, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2019

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position As of Year End				
	Governmental Activities		Business-Type Activities	
	2019	2018	2019	2018
Current and other assets	\$ 1,809,642	\$ 2,060,623	\$ 688,228	\$ 686,497
Capital assets, net	<u>1,421,894</u>	<u>1,190,557</u>	<u>2,664,973</u>	<u>2,836,508</u>
Total Assets	<u>3,231,536</u>	<u>3,251,180</u>	<u>3,353,201</u>	<u>3,523,005</u>
Deferred outflows of resources	<u>46,737</u>	<u>22,120</u>	<u>0</u>	<u>0</u>
Other liabilities	89,699	110,883	45,551	26,600
Long-term liabilities	<u>159,420</u>	<u>127,065</u>	<u>73,855</u>	<u>72,820</u>
Total Liabilities	<u>249,119</u>	<u>237,948</u>	<u>119,406</u>	<u>99,420</u>
Deferred inflows of resources	<u>6,604</u>	<u>10,591</u>	<u>0</u>	<u>0</u>
Net position				
Net investment in capital assets	1,490,720	1,190,557	2,664,973	2,836,508
Restricted	1,527,196	1,797,970	80,071	83,317
Unrestricted	4,634	36,234	488,751	503,760
Total Net Position	<u>\$ 3,022,550</u>	<u>\$ 3,024,761</u>	<u>\$ 3,233,795</u>	<u>\$ 3,423,585</u>

Net Position of the Town's Governmental Activities decreased by \$2,211.

Net Position of the Town's Business-Type Activities decreased by \$189,790 due to operations (See table below).

Statement of Activities For the Year Ended				
	Governmental Activities		Business-Type Activities	
	2019	2018	2019	2018
General government				
Expenses	\$ (925,214)	\$ (1,293,280)	\$ (692,389)	\$ (686,232)
Interest Expense	0	0	0	0
Program revenues				
Charges for services	135,098	133,529	498,245	472,350
Operating and capital grants and contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>459,023</u>
Subtotal	<u>(790,116)</u>	<u>(1,159,751)</u>	<u>(194,144)</u>	<u>245,141</u>
General revenues and transfers	<u>787,905</u>	<u>810,024</u>	<u>4,354</u>	<u>32,723</u>
Change in net position from operations	<u>\$ (2,211)</u>	<u>\$ (349,727)</u>	<u>\$ (189,790)</u>	<u>\$ 277,864</u>

The Town of Plain Dealing's total revenues and transfers decreased by \$20,550 from the previous fiscal year in the Governmental Activities and decreased by \$433,919 in the Business-Type Activities. The total cost of all programs and services decreased \$368,066 in Governmental Activities and increased \$6,157 in Business-Type Activities from the previous fiscal year.

TOWN OF PLAIN DEALING, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2019

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the Town of Plain Dealing had \$1,190,557 and \$2,836,508 net of depreciation, in Governmental Activities and Business-Type Activities, respectively, invested in a broad range of capital assets (See table below). This amount represents a net decrease of \$80,751 in Governmental Activities and a net increase of \$289,321 Business-Type Activities from the previous year.

	Capital Assets at Year End (Net of Depreciation)			
	Governmental Activities		Business-Type Activities	
	2019	2018	2019	2018
Land and Right-of-ways	\$ 488,281	\$ 488,281	\$ 20,079	\$ 20,079
Buildings and other improvements	867,786	603,448	16,135	16,135
Sewer Plant/Water Distribution System	0	0	2,625,188	2,796,723
Equipment, Furniture, and Fixtures	65,827	98,828	3,571	3,571
Total	<u>\$ 1,421,894</u>	<u>\$ 1,190,557</u>	<u>\$ 2,664,973</u>	<u>\$ 2,836,508</u>

The following is the addition and retirements for the Town of Plain Dealing as of December 31, 2019:

This year's major additions included:

	Governmental Activities	Business-Type Activities
Buildings and other improvements	\$ 302,684	\$ 0
Equipment, Furniture, and Fixtures	0	0
Sewer Plant / Water Distribution System	0	3,250
Total	<u>\$ 302,684</u>	<u>\$ 3,250</u>

This year's major retirements included:

Equipment, Furniture, and Fixtures	\$ 20,864	\$ 0
Sewer Plant / Water Distribution System	0	0
	<u>\$ 20,864</u>	<u>\$ 0</u>

Debt

The Town of Plain Dealing had no long- term debt payable for Governmental Activities and Business-Type Activities for the years ended December 31, 2019 and 2018.

New debt during the year included:

None.

TOWN OF PLAIN DEALING, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2019

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$5,180 less than budgeted amounts due to intergovernmental, fines and other tax revenues being less than expected.

Actual expenditures were \$36,404 less than budgeted amounts due to expenses being less than anticipated.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town of Plain Dealing's elected officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Taxes
- 2) Intergovernmental revenues (state and local grants)
- 3) Licenses and permits

CONTACTING THE TOWN OF PLAIN DEALING'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town of Plain Dealing's finances and to show the Town of Plain Dealing's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mayor Cindy Dodson at 318-326-4234 or P.O. Box 426, Plain Dealing, Louisiana 71064.

FINANCIAL STATEMENTS

TOWN OF PLAIN DEALING, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2019

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets			
Cash	\$ 335,260	\$ 526,642	\$ 861,902
Investments	1,315,650	0	1,315,650
Accounts receivable	21,872	56,735	78,607
Due from other funds	12,537	905	13,442
Restricted assets-cash	38,332	49,071	87,403
Restricted assets-certificates of deposit	30,063	31,000	61,063
Capital Projects in Progress	0	5,500	5,500
Prepaid expenses	49,834	18,375	68,209
Deposits	6,094	0	6,094
Capital assets, net	1,421,894	2,664,973	4,086,867
Total Assets	3,231,536	3,353,201	6,584,737
Deferred outflows of resources	46,737	0	46,737
Total Assets and Deferred Outflows of Resources	3,278,273	3,353,201	6,631,474
LIABILITIES			
Current Liabilities			
Accounts payable	89,191	32,616	121,807
Deferred revenue	0	0	0
Due to other funds	508	12,935	13,443
Total Current Liabilities	89,699	45,551	135,250
Noncurrent Liabilities			
Customer deposits	0	73,855	73,855
Net pension liability	159,420	0	159,420
Total Noncurrent Liabilities	159,420	73,855	233,275
Deferred inflows of resources	6,604	0	6,604
Total Liabilities and Deferred Inflows of Resources	255,723	119,406	375,129
NET POSITION			
Net investment in capital assets	1,490,720	2,664,973	4,155,693
Restricted	1,527,196	80,071	1,607,267
Unrestricted	4,634	488,751	493,385
Total Net Position	\$ 3,022,550	\$ 3,233,795	\$ 6,256,345

The accompanying notes are an integral part of this statement.

TOWN OF PLAIN DEALING, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ 315,286	\$ 135,098	\$ 0	\$ 0	\$ (180,188)	\$ 0	\$ (180,188)
Public safety	391,210	0	0	0	(391,210)	0	(391,210)
Street and sanitation	147,371	0	0	0	(147,371)	0	(147,371)
Capital projects	0	0	0	0	0	0	0
Contributions to other government agencies	0	0	0	0	0	0	0
Depreciation	71,347	0	0	0	(71,347)	0	(71,347)
Total Governmental Activities	925,214	135,098	0	0	(790,116)	0	(790,116)
Business-Type Activities							
Utility funds	690,722	497,845	0	0	0	(192,877)	(192,877)
Cemetery fund	1,667	400	0	0	0	(1,267)	(1,267)
Interest expense	0	0	0	0	0	0	0
Total Primary Government	\$ 1,617,603	\$ 633,343	\$ 0	\$ 0	(790,116)	(194,144)	(984,260)
General Revenues							
Property taxes					31,269	0	31,269
Franchise taxes					23,762	0	23,762
Sales taxes					344,312	0	344,312
Other taxes					35,262	0	35,262
License and permits					26,151	0	26,151
Intergovernmental					237,118	0	237,118
Interest income					23,192	4,154	27,346
Rental income					13,800	0	13,800
Fines and forfeits					12,692	0	12,692
Operating transfers					0	0	0
Parks and recreation					0	0	0
Donations					100	200	300
Other revenues					40,247	0	40,247
Total General Revenues					787,905	4,354	792,259
Change in Net Position					(2,211)	(189,790)	(192,001)
Net Position, Beginning of year					3,024,761	3,423,585	6,448,346
Prior period adjustment					0	0	0
Net Position, Beginning of year					3,024,761	3,423,585	6,448,346
Net Position, End of year					\$ 3,022,550	\$ 3,233,795	\$ 6,256,345

The accompanying notes are an integral part of this statement.

TOWN OF PLAIN DEALING, LOUISIANA
BALANCE SHEET -
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General Fund	Sales Tax	Industrial Development	General and Public Facilities	Total
Assets					
Cash	\$ 147,185	\$ 17,343	\$ 124,805	\$ 45,927	\$ 335,260
Investments	0	0	1,315,650	0	1,315,650
Accounts receivable	21,872	0	0	0	21,872
Due from other funds	12,537	0	0	0	12,537
Restricted assets - cash	38,332	0	0	0	38,332
Restricted assets - certificates of deposit	30,063	0	0	0	30,063
Capital Projects in Progress	0	0	0	0	0
Prepaid expenses	49,815	0	19	0	49,834
Deposits	6,094	0	0	0	6,094
Total Assets	\$ 305,898	\$ 17,343	\$ 1,440,474	\$ 45,927	\$ 1,809,642
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 44,775	\$ 0	\$ 21	\$ 44,395	\$ 89,191
Deferred revenue	0	0	0	0	0
Due to other funds	0	0	0	508	508
Total Liabilities	44,775	0	21	44,903	89,699
Fund Balances					
Nonspendable	49,815	0	19	0	49,834
Assigned	68,395	17,343	1,440,434	1,024	1,527,196
Unassigned	142,913	0	0	0	142,913
Total Fund Balances	261,123	17,343	1,440,453	1,024	1,719,943
Total Liabilities and Fund Balances	\$ 305,898	\$ 17,343	\$ 1,440,474	\$ 45,927	\$ 1,809,642

The accompanying notes are an integral part of this statement.

TOWN OF PLAIN DEALING, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Total Fund Balances for Governmental Funds (Exhibit C)	\$	1,719,943
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Total Net Position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$	488,281	
Buildings and other improvements, net of \$1,397,225 in accumulated depreciation		867,786	
Equipment, furniture, and fixtures, net of \$976,311 in accumulated depreciation		65,827	
Total Capital Assets			1,421,894

Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the fund liabilities. Those liabilities consist of:

Net pension liability	(159,420)	
Total Long-term Liabilities		(159,420)

Deferred outflows and inflows of resources do not affect the current period and, therefore, they are not reported in the governmental fund balance sheet:

Deferred outflows of resources related to pensions	46,737	
Deferred inflows of resources related to pensions	(6,604)	
Total Deferred Outflows and Inflows		40,133

Total Net Position of Governmental Activities (Exhibit A)	\$	3,022,550
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The accompanying notes are an integral part of this statement

TOWN OF PLAIN DEALING, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund	Sales Tax	Industrial Development	General and Public Facilities	Total
REVENUES					
Property taxes	\$ 31,269	\$ 0	\$ 0	\$ 0	\$ 31,269
Franchise taxes	23,762	0	0	0	23,762
Sales taxes	0	344,312	0	0	344,312
Other taxes	35,262	0	0	0	35,262
Licenses and permits	26,151	0	0	0	26,151
Intergovernmental	237,118	0	0	0	237,118
Interest income	1,171	18	22,003	0	23,192
Charges for services	135,098	0	0	0	135,098
Rental income	6,000	0	7,800	0	13,800
Fines and forfeits	12,692	0	0	0	12,692
Parks and recreation	0	0	0	0	0
Other Revenues	40,247	0	0	0	40,247
Total revenues	548,770	344,330	29,803	0	922,903
EXPENDITURES					
General government	303,755	0	7,779	0	311,534
Public safety	391,210	0	0	0	391,210
Street and sanitation	147,371	0	0	0	147,371
Capital outlays	0	0	0	0	0
Project expenditures	0	0	0	302,684	302,684
Total Expenditures	842,336	0	7,779	302,684	1,152,799
Excess (deficiency) of revenues over expenditures	(293,566)	344,330	22,024	(302,684)	(229,896)
Other financing sources(uses):					
Operating transfers in	341,640	0	0	291,964	633,604
Operating transfers out	0	(341,640)	(291,964)	0	(633,604)
Donations	100	0	0	0	100
Net other financing sources (uses)	341,740	(341,640)	(291,964)	291,964	100
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	48,174	2,690	(269,940)	(10,720)	(229,796)
FUND BALANCE AT BEGINNING OF YEAR	212,950	14,653	1,710,393	11,743	1,949,739
FUND BALANCE AT END OF YEAR	\$ 261,123	\$ 17,343	\$ 1,440,453	\$ 1,024	\$ 1,719,943

The accompanying notes are an integral part of this statement

TOWN OF PLAIN DEALING, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Net Change in Fund Balances-Total Governmental Funds (Exhibit E) \$ (229,796)

The change in Net Position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$302,684) is more than depreciation (\$71,347) in the current period.

231,337

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Some revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported as revenue in the governmental funds.

Change in deferred inflows/outflows related to pension plan
 Change in pension liability

28,604
(32,355)

Change in Net Position of Governmental Activities (Exhibit B) \$ (2,211)

The accompanying notes are an integral part of this statement

TOWN OF PLAIN DEALING, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
DECEMBER 31, 2019

ASSETS	Proprietary Fund Type Enterprise	Fiduciary Fund Type Trust	Total
Current Assets:			
Cash	\$ 412,447	\$ 114,195	\$ 526,642
Receivables	56,735	0	56,735
Due from other funds	905	0	905
Prepaid expenses	18,358	17	18,375
Construction in progress	5,500	0	5,500
Total Current Assets	493,945	114,212	608,157
Restricted Assets			
Cash	49,071	0	49,071
Certificates of deposit	31,000	0	31,000
Total Restricted Assets	80,071	0	80,071
Property, Plant & Equipment:, net	2,663,442	1,531	2,664,973
Total Assets	3,237,458	115,743	3,353,201
Deferred outflows of resources	0	0	0
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts payable	32,597	19	32,616
Due to other funds	12,935	0	12,935
Total Current Liabilities (Payable From Current Assets)	45,532	19	45,551
Current liabilities (payable from restricted assets):			
Customer deposits	73,855	0	73,855
Total Current Liabilities (Payable From Restricted Assets)	73,855	0	73,855
Total liabilities (Payable From Restricted Assets)	73,855	0	73,855
Total Liabilities	119,387	19	119,406
Deferred inflows of resources	0	0	0
NET POSITION			
Net investment in capital assets	2,663,442	1,531	2,664,973
Restricted	82,091	0	82,091
Unrestricted	372,538	114,193	486,731
Total Net Position	\$ 3,118,071	\$ 115,724	\$ 3,233,795

The accompanying notes are an integral part of this statement

TOWN OF PLAIN DEALING, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION-
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Proprietary Fund Type Enterprise	Fiduciary Fund Type Trust	Total
Operating Revenues:			
Charges for services	\$ 497,845	\$ 400	\$ 498,245
Other	0	200	200
Total Operating Revenues	497,845	600	498,445
Operating Expenses:			
Personnel services	227,526	0	227,526
Contractual services	28,927	0	28,927
Supplies and materials	111,259	410	111,669
Heat, light and power	58,266	0	58,266
Depreciation	173,765	1,020	174,785
Other	90,979	237	91,216
Total Operating Expenses	690,722	1,667	692,389
Operating Income	(192,877)	(1,067)	(193,944)
Nonoperating revenues			
(Expenses):			
Grants	0	0	0
Interest income	2,478	1,676	4,154
Interest expense	0	0	0
Total Nonoperating Revenues	2,478	1,676	4,154
Income (Loss) Before Other Financing Sources and Transfers	(190,399)	609	(189,790)
Other Financing Sources:			
Loss on retirement of fixed assets	0	0	0
Transfers in	0	0	0
Transfers out	0	0	0
State Grant	0	0	0
Total Other Financing Sources	0	0	0
Change in Net Position	(190,399)	609	(189,790)
Net Position at Beginning of Year	3,308,470	115,115	3,423,585
Net Position at End of Year	\$ 3,118,071	\$ 115,724	\$ 3,233,795

The accompanying notes are an integral part of this statement

TOWN OF PLAIN DEALING, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Proprietary Fund Type - Enterprise	Fiduciary Fund Type - Cemetery	Total
Cash flows from operating activities:			
Receipts from customers	\$ 497,845	\$ 600	\$ 498,445
Cash payments to suppliers	(257,334)	(410)	(257,744)
Cash payments to employees for services	(227,526)	0	(227,526)
Net cash from operating activities	<u>12,985</u>	<u>190</u>	<u>13,175</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	0	0	0
Transfers to other funds	0	0	0
Net cash from noncapital financing Activities	<u>0</u>	<u>0</u>	<u>0</u>
Cash flows from capital and financing activities:			
Capital Grants	0	0	0
Purchases of capital assets	(3,250)	0	(3,250)
Net cash from capital and financing activities	<u>(3,250)</u>	<u>0</u>	<u>(3,250)</u>
Cash flows from investing activities:			
Interest income	2,478	1,676	4,154
Net cash from investing activities	<u>2,478</u>	<u>1,676</u>	<u>4,154</u>
Net increase (decrease) in cash	12,213	1,866	14,079
Cash, beginning of year	480,305	112,329	592,634
Cash, end of year	<u>\$ 492,518</u>	<u>\$ 114,195</u>	<u>\$ 606,713</u>
Cash is reflected on the statements of net position as follows:			
Cash	\$ 412,447	\$ 114,195	\$ 526,642
Cash-restricted	80,071	0	80,071
Total	<u>\$ 492,518</u>	<u>\$ 114,195</u>	<u>\$ 606,713</u>
Reconciliation of Operating Income(Loss) to Net Cash Provided(Used) by Operating Activities:			
Operating income(Loss)	\$ (192,877)	\$ (1,067)	\$ (193,944)
Adjustments to Reconciling Income (Loss) to Net Cash Provided(Used) by Operating Activities:			
Depreciation Expense	173,765	1,020	174,785
(Increase)decrease in receivables	(1,480)	0	(1,480)
(Increase)decrease in construction in progress	(1,000)	0	(1,000)
Increase(decrease) in accounts payable	18,179	19	18,198
(Increase)decrease in due from other fund	(417)	0	(417)
(Increase)decrease in prepaid expenses	15,027	218	15,245
Increase(decrease) customer deposits	1,035	0	1,035
Increase(decrease) in due to other fund	753	0	753
Net cash (used) by operating activities	<u>\$ 12,985</u>	<u>\$ 190</u>	<u>\$ 13,175</u>

The accompanying notes are an integral part of this statement.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements

December 31, 2019

The Town of Plain Dealing, Louisiana (Town), was incorporated in 1890, under the provisions of LA R.S. 33:321-48. The Town operates under the Mayor-Board of Aldermen form of government.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements of the Town of Plain Dealing have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. Reporting Entity

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

C. Government - Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position, Exhibit A, and the Statement of Activities, Exhibit B) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)

December 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishment, long-term proceeds, et cetera) are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

The Town of Plain Dealing reports the following governmental, proprietary and fiduciary funds:

Governmental Funds

Governmental funds account for all or most of the Town of Plain Dealing's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term obligations.

General Fund - is the general operating fund of the Town of Plain Dealing. It is used to account for all financial resources except those required to be accounted for in another fund. General tax revenues and other sources of revenue used to finance the fundamental operations of the Town of Plain Dealing are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The Town of Plain Dealing applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

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

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

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

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

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

E. Budgets and Budgetary Accounting

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

1. The Mayor prepares a proposed budget and submits same to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. The Board of Aldermen may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. The 2019 budget was amended on December 10, 2019 to adjust revenues, charges for services revenue; and general government, public safety, street and sanitation, and capital outlay expenditures in the General Fund. The revenues and expenditures were amended in the Special

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets and Budgetary Accounting (Continued)

Revenue Funds. The water fund and sewer fund budgets were amended to adjust charges for services, other operating expenses, personal services, depreciation, and interest expense.

6. The Town utilizes formal budgetary integration as a management control device for all funds.

F. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Town of Plain Dealing, Louisiana defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

G. Investments

All investments are interest bearing deposits with original maturity dated in excess of three months are stated at cost which approximates market value. The Town's investments comply with Louisiana Statutes (LSA R.S. 33:2955).

H. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

I. Inventories

Inventory of supplies in the Proprietary Fund is not material and is charged to operations as purchased.

J. Bad Debts

Uncollectible amounts due from customers' utility and ad valorem taxes receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. Provisions for uncollectible utility and ad valorem taxes have not been deemed necessary.

K. Deferred Outflows of Resources and Deferred Inflows of Resources

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

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity

In the Statement of Net Position, the differences between a government's assets and liabilities are recorded as net position. The three components of net position are as follows:

Net Investment in Capital Assets - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Position - This category records net position that are restricted by external sources such as banks or by law are reported separately as restricted net position.

Unrestricted Net Position - This category represents net position not appropriable for expenditures or legally separated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Nonspendable - The nonspendable fund balances for governmental funds represent the amount that are not in a spendable form or are required to be maintained intact.

Restricted - The restricted fund balances for governmental funds represent the amount that has been constrained to specific purposes by their providers, through constitutional provisions, or by enabling legislation.

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

Assigned - The assigned fund balances for governmental funds represent the amount a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned - The unassigned fund balances for governmental funds represent the amount that is available for any purpose; these amounts are reported only in the general fund.

M. Restricted Assets

The Enterprise Funds restrict customer and vendor deposits and sewer maintenance fees after maintenance expenses and the General Fund restricts the use of the Medical Clinic Funds. The Cemetery Fund and the Industrial Development Fund restrict the use of their operating account and certificates of deposit.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Compensated Absences

No liability is recorded for nonvesting accumulating rights to receive vacation or sick pay benefits.

O. Interfund Transactions

There are several types of transactions that are reported in the financial statements as interfund items. Interfund transactions which constitute reimbursements of the fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is being reimbursed. Nonrecurring or non-routine transfers of equity between funds are treated as residual equity transfers and reported as additions to or deductions from fund balance. All other transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

P. Statements of Cash Flows (including restricted assets)

For purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

Q. Refundable Deposits

The Water Fund of the Town requires customers to place a deposit before service is rendered. These monies are considered restricted and are held until the customer discontinues service.

NOTE 2 CASH AND CASH EQUIVALENTS

At December 31, 2019, the Town's cash and cash equivalents (book balances) were \$2,326,018 cash, demand deposits, and certificates of deposit. These deposits are stated at cost, which approximates market. Under state law, these deposits, or resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank(s). The market value of the pledged securities plus federal deposit insurance must equal the amount with the fiscal agent at all times. These securities are held in the name of the of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2019, the Town has \$2,330,690 in deposits (collected bank balances), within one bank, consisting of \$953,977 in demand deposits and \$1,376,713 in time deposits. The demand deposits are secured from risk by \$250,000 of federal deposit insurance and \$2,673,527 of pledged securities and the time deposits are secured from risk by federal deposit insurance. The \$2,673,527 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2019

NOTE 3 AD VALOREM TAXES

Ad Valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in November of the same year. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Bossier Parish.

For the year ended December 31, 2019, taxes of 8.73 mills were levied on property with assessed valuations of \$3,632,546 and were dedicated for general corporate purposes.

Total taxes levied were \$31,712. Taxes receivable at December 31, 2018, consisted of the following:

Taxes receivable current roll	\$ 5,045
Less: allowance for uncollectible taxes	<u>0</u>
	\$ <u>5,045</u>

NOTE 4 RESTRICTED ASSETS

Government Fund Type:	2019	2018
Restricted cash-clinic account	\$ 38,332	\$ 33,161
Restricted certificate of deposit	<u>30,063</u>	<u>29,616</u>
	\$ <u>68,395</u>	\$ <u>62,777</u>
Proprietary Fund Type:		
Water Fund		
Customer deposit account	\$ 49,071	\$ 47,817
Customer deposits-certificate of deposit	<u>31,000</u>	<u>31,000</u>
	\$ <u>80,071</u>	\$ <u>78,817</u>

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2019

NOTE 5 SALES AND USE TAX

The voters of the Town of Plain Dealing approved a 1.5% sales and use tax for general purposes and 1% sales and use tax for industrial development and other allowable general purposes.

NOTE 6 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2019:

	Governmental Activities	Business- Type Activities	Total
Charges for services	\$ 16,827	\$ 56,735	\$ 73,562
Property Taxes	5,045	0	5,045
Other	0	0	0
Total	\$ <u>21,872</u>	\$ <u>56,735</u>	\$ <u>78,607</u>

NOTE 7 GRANTS

As of December 31, 2019 the Town has in progress grant CWFY FY2018-2019 for the purpose of installing an ammonia injection system. The grant is for \$18,000. Total construction cost incurred as of December 31, 2019 is \$5,500 which is recorded as "Capital Projects in Progress" in Exhibit A of the financial statements.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2019

NOTE 8 CAPITAL ASSETS

A summary of the Town of Plain Dealing's capital assets at December 31, 2019 follows:

	Balance Dec 31, 2018	Additions	Retirements	Balance Dec 31, 2019
Governmental Activities				
Capital Assets, not being depreciated				
Land and Right-Of-Ways	\$ 488,281	\$ 0	\$ 0	\$ 488,281
Total Capital Assets, not being depreciated	488,281	0	0	488,281
Capital Assets, being depreciated				
Buildings and other improvements	670,252	0	0	670,252
Dams & Reservoirs	294,580	0	0	294,580
Street Improvements	856,652	302,684	0	1,159,336
Park Improvements	140,843	0	0	140,843
Less accumulated depreciation	(1,358,879)	(38,346)	0	(1,397,225)
Total Buildings and Building Improvements	603,448	264,338	0	867,786
Equipment, furniture and fixtures	1,063,005	0	(20,864)	1,042,141
Less accumulated depreciation	(964,176)	(33,001)	20,864	(976,313)
Total Equipment, Furniture and Fixtures	98,829	(33,001)	0	65,828
Total Capital Assets, being depreciated	702,277	231,337	0	933,614
Governmental Activities				
Total Capital Assets, net	\$ 1,190,557	\$ 231,337	\$ 0	\$ 1,421,894
Business-Type Activities				
Capital Assets, not being depreciated				
Land and Right-Of-Ways	\$ 20,079	\$ 0	\$ 0	\$ 20,079
Total Capital Assets, not being depreciated	20,079	0	0	20,079
Capital Assets, being depreciated				
Distribution system	5,583,233	3,250	0	5,586,483
Equipment, Furniture, and Fixtures	10,609	0	0	10,609
Less accumulated depreciation	(2,777,414)	(174,785)	0	(2,952,199)
Total Distribution System	2,816,428	(171,535)	0	2,644,893
Total Capital Assets, being depreciated	2,816,428	(171,535)	0	2,644,893
Business-Type Activities	\$ 2,836,507	\$ (171,535)	\$ 0	\$ 2,664,972
Total Capital Assets, net				
Primary Government				
Total Capital Assets, net	\$ 4,027,063	\$ 59,802	\$ 0	\$ 4,086,867

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2019

NOTE 9 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

A. Interfund Receivables and Payables

	Interfund Receivables	Interfund Payables
General fund	\$ 12,537	\$ 0
Sales tax fund	0	0
Industrial development fund	0	0
General and public facilities fund	0	508
Proprietary funds		
Water department	235	7,408
Sewer department	670	5,527
Fiduciary fund	0	0
	<u>\$ 13,442</u>	<u>\$ 13,442</u>

B. Operating Transfers

	Transfers In	Transfers Out
General fund	\$ 341,640	\$ 0
Sales tax fund	0	341,640
Industrial development fund	0	291,964
Capital projects fund	291,964	0
Water department	0	0
Sewer department	0	0
	<u>\$ 633,604</u>	<u>\$ 633,604</u>

NOTE 10 LEASES

On June 14, 2017 the town entered into a new long term operating lease for the use of the telephone equipment in the municipal complex. The lease payments on this equipment as of December 31, 2019 were \$1,559.

Minimum lease payments under this lease are as follows:

2020	1,559
2021	1,559
2022	910
	<u>\$ 4,028</u>

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2019

NOTE 11 RETIREMENT COMMITMENTS

A. Municipal Police Employees' Retirement System of Louisiana (LAMPERS)

Plan Description

The Town contributes to LAMPERS which is a cost-sharing multiple employer defined benefit pension plan. LAMPERS was established by Act 189 of the 1973 regular session of the Legislature of the State of Louisiana to provide retirement, disability and survivor benefits to municipal police officers in Louisiana.

Benefit provisions are authorized within Act 189 of 1973 and amended by Louisiana Revised Statutes 11:2211 – 11:2233, which should be reviewed for more complete information.

Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. LAMPERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.lampers.org or www.la.state.la.us.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement

Any member prior to January 1, 2013 can retire providing he/she meets one of the following criteria:

-At any age	after 25 years of creditable service
-At age 55	after 12 years of creditable service
-At age 50	after 20 years of creditable service
-At any age	after 20 years of creditable service, with an actuarially reduced benefit

Any member after January 1, 2013, under Hazardous Duty sub plan, can retire providing he/she meets one of the following criteria:

-At any age	after 25 years of creditable service
-At age 55	after 12 years of creditable service
-At any age	after 20 years of creditable service, with an actuarially reduced benefit from age 55

Any member after January 1, 2013, under Non Hazardous Duty sub plan, can retire providing he/she meets one of the following criteria:

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2019

NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

-At any age	after 30 years of creditable service
-At age 60	after 10 years of creditable service
-At age 55	after 25 years of creditable service
-At any age	after 20 years of creditable service, with an actuarially reduced benefit from age 55

Benefit rates for membership prior to January 1, 2013, are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Benefit rates for membership after January 1, 2013 are based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Deferred Retirement Option Plan (DROP)

A member is eligible to elect to enter DROP when he/she is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefits based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account.

Disability Benefits

The Board of Trustees may award benefits to those eligible members who have been certified as disabled by the State Medical Disability Board. The application must be filed with the Board of Trustees through the office of the Director prior to the date of termination of employment. Please see specific procedures for disability retirement as described and provided for in R.S. 11:208, R.S. 11:216 through R.S. 11:224 and R.S. 11:2223.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2019

NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

Survivor's Benefits

Upon the death of an active contributing member (membership prior to January 1, 2013), or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200/month, whichever is greater.

Upon the death of an active contributing member (membership after to January 1, 2013), or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200/month, whichever is greater. If the deceased member had less than ten years of service, the beneficiary will receive a refund of employee contributions only.

Cost-of-Living Increases

The Board of Trustees is authorized to provide annual cost-of-living adjustments (COLA) computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a COLA until they reach retirement age.

Initial Benefit Option Plan

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefits, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on the same criteria as DROP.

Contributions

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2019

NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

For the six months ended June 30, 2019 and the six months ended December 31, 2019, total contributions due for employers and employees were 42.25% and 42.50%, respectively. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 32.25% and 10%, respectively. The employer and employee contribution rates for all Non Hazardous Duty members hired after January 1, 2013 were 32.25% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 34.75% and 7.5%, respectively.

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue, but are not considered special funding situations.

The Town's contractually required composite contribution rate for the year ended December 31, 2019 was 32.50% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Town were \$17,679 for the year ended December 31, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the Town reported a liability of \$159,420 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Town's proportion was .017554%, which was a increase of .002524% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Town recognized pension expense of \$27,217 plus or minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$2,578.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2019

NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 334	\$ 4,905
Changes in assumption	8,934	0
Net difference between projected and actual earnings on pension plan investments	10,357	0
Changes in employer's proportion of beginning net pension liability	14,936	1,699
Differences between employer contributions and proportionate share of employer contributions	0	0
Subsequent Measurement Contributions	12,176	0
Total	\$46,737	\$ 6,604

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

Year ended June 30:	
2020	\$ 12,354
2021	4,149
2022	8,867
2023	2,587
Total	\$27,957

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2019

NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 is as follows:

Valuation Date	June 30, 2019								
Actuarial Cost Method	Entry Age Normal Cost								
Actuarial Assumptions:									
Expected Remaining Service Lives	4 years								
Investment Rate of Return	7.125% net of investment expense.								
Mortality	The mortality rate assumption used was based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.								
Salary Increases, including inflation (2.5%) and merit	<table> <tr> <th>Years of Service</th><th>Salary Growth Rate</th></tr> <tr> <td>1-2</td><td>9.75%</td></tr> <tr> <td>3-23</td><td>4.75%</td></tr> <tr> <td>Over 23</td><td>4.25%</td></tr> </table>	Years of Service	Salary Growth Rate	1-2	9.75%	3-23	4.75%	Over 23	4.25%
Years of Service	Salary Growth Rate								
1-2	9.75%								
3-23	4.75%								
Over 23	4.25%								

The discount rate used to measure the total pension liability was 7.125%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems' Actuarial Committee, taking into consideration the recommendation of the actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2019

NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	33.5%	0.80%
Equity	48.5%	3.28%
Alternatives	18%	1.06%
Other	0%	0.00%
Total	100%	5.14%
Inflation		2.75%
Expected Arithmetic Nominal Return		7.89%

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the Net Pension Liability using the discount rate of 7.125%, as well as what the District's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.2%) or one percentage-point higher (8.2%) than the current rate:

	1.0% Decrease (6.125%)	Current Discount Rate (7.125%)	1.0% Increase (8.125%)
Employer's proportionate share of net pension liability	\$222,124	\$159,420	\$ 106,817

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Municipal Police Employees' Retirement System of Louisiana Annual Financial Report at www.lampers.org or on www.la.state.la.us.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2019

NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$2,573, which is the legally required contribution due at December 31, 2019. This amount is recorded in accrued expenses.

B. Deferred Compensation Plan

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Town matches the employee's contribution up to 2% of the employee's salary to the plan. In 2019, the Town's matching contribution to the plan was \$3,891. An independent plan administrator through an administrative service agreement administers the plan. The Town's administrative involvement is limited to transmitting amounts withheld from the employees and its matching portion to the plan administrator who performs investing functions.

Plan assets are held in trust for the exclusive benefit of the participants and their beneficiaries. The assets will not be diverted to any other purpose. Accordingly, the plan assets and related liabilities have not been included herein.

NOTE 12 COMMITMENTS AND CONTINGENCIES

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

The Town participates in certain federal and state assisted programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

The Town is the defendant in various lawsuits arising principally in normal course of operations. There is a suit which is in the stages of discovery and for which the availability of insurance coverage or estimates of the ultimate liability of the Town cannot be determined. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for losses has been recorded.

NOTE 13 ON-BEHALF PAYMENTS

Qualified Town police employees received a total of \$27,850 in police supplemental pay from the State of Louisiana. The Town is responsible for withholding taxes from these employees and paying the Town's matching portion of social security taxes for the amount of additional pay received. The Town must recognize this pay received by the employees as revenues and expenditures of the Town. The revenue is reported in the General Fund under intergovernmental revenues and the expenditure is reported in the Police Department.

NOTE 14 SUBSEQUENT EVENTS

On March 13, 2020, President Trump declared a national emergency relating to the COVID-19 pandemic. As of the date of this report, the pandemic is ongoing. Future potential impacts may include disruptions or restrictions on employees' ability to work. The future effects of this issue are unknown.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF PLAIN DEALING, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balance Of
Governmental Funds - Budget (GAAP Basis) and Actual - General Fund

Year Ended December 31, 2019

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property taxes	\$ 33,000	\$ 32,000	\$ 31,269	\$ (731)
Franchise taxes	23,500	23,300	23,762	462
Other taxes	37,500	37,200	35,262	(1,938)
Licenses and permits	23,300	25,800	26,151	351
Intergovernmental	270,100	238,950	237,118	(1,832)
Interest income	1,000	1,000	1,171	171
Charges for services	136,700	135,000	135,098	98
Rental income	8,500	6,000	6,000	0
Fines and forfeits	22,000	15,000	12,692	(2,308)
Parks and recreation	0	0	0	0
Other	5,000	39,800	40,347	547
Total revenues	560,600	554,050	548,870	(5,180)
Expenditures:				
General government	333,420	326,320	303,755	22,565
Public safety	411,200	402,450	391,210	11,240
Street and Sanitation	155,520	149,970	147,371	2,599
Capital outlays	0	0	0	0
Contributions to other government agencies	0	0	0	0
Total expenditures	900,140	878,740	842,336	36,404
Excess (deficiency) of revenues over expenditures	(339,540)	(324,690)	(293,466)	31,224
Other financing sources(uses):				
Operating transfers in	374,000	350,000	341,640	(8,360)
Operating transfers out	0	0	0	0
Gain on sale of fixed assets	0	0	0	0
Net other financing sources (uses)	374,000	350,000	341,640	(8,360)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	34,460	25,310	48,174	22,864
Fund balance at beginning of year	36,055	154,655	212,950	58,295
Fund balance at end of year	\$ 70,515	\$ 179,965	\$ 261,123	\$ 81,159

See accompanying notes to the financial statements.

TOWN OF PLAIN DEALING, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balance Of
Governmental Funds - Budget (GAAP Basis) and Actual - Sales Tax Fund

Year Ended December 31, 2019

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0
Franchise taxes	0	0	0	0
Sales taxes	374,000	350,000	344,312	(5,688)
Other taxes	0	0	0	0
Licenses and permits	0	0	0	0
Intergovernmental	0	0	0	0
Grant revenue	0	0	0	0
Interest income	25	25	18	(7)
Charges for services	0	0	0	0
Rental income	0	0	0	0
Fines and forfeits	0	0	0	0
Lake income	0	0	0	0
Other	0	0	0	0
Total revenues	<u>374,025</u>	<u>350,025</u>	<u>344,330</u>	<u>(5,695)</u>
Expenditures:				
General government	0	0	0	0
Public safety	0	0	0	0
Street and Sanitation	0	0	0	0
Capital outlays	0	0	0	0
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	<u>374,025</u>	<u>350,025</u>	<u>344,330</u>	<u>(5,695)</u>
Other financing sources(uses):				
Operating transfers in	0	0	0	0
Operating transfers out	<u>(374,000)</u>	<u>(350,000)</u>	<u>(341,640)</u>	<u>8,360</u>
Net other financing sources (uses)	<u>(374,000)</u>	<u>(350,000)</u>	<u>(341,640)</u>	<u>8,360</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	25	25	2,690	2,665
Fund balance at beginning of year	<u>13,851</u>	<u>(15,199)</u>	<u>14,653</u>	<u>29,852</u>
Fund balance at end of year	<u>\$ 13,876</u>	<u>\$ (15,174)</u>	<u>\$ 17,343</u>	<u>\$ 32,517</u>

See accompanying notes to the financial statements.

TOWN OF PLAIN DEALING, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balance Of
Governmental Funds - Budget (GAAP Basis) and Actual - Industrial Development Fund

Year Ended December 31, 2019

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0
Franchise taxes	0	0	0	0
Sales taxes	0	0	0	0
Other taxes	0	0	0	0
Licenses and permits	0	0	0	0
Intergovernmental	0	0	0	0
Grant revenue	0	0	0	0
Interest income	22,500	22,500	22,003	(497)
Charges for services	0	0	0	0
Rental income	7,800	7,800	7,800	0
Fines and forfeits	0	0	0	0
Lake income	0	0	0	0
Other	0	0	0	0
Total revenues	30,300	30,300	29,803	(497)
Expenditures:				
General government	1,700	5,650	7,779	(2,129)
Public safety	0	0	0	0
Street and Sanitation	0	0	0	0
Capital outlays	0	0	0	0
Total expenditures	1,700	5,650	7,779	(2,129)
Excess (deficiency) of revenues over expenditures	28,600	24,650	22,024	(2,626)
Other financing sources(uses):				
Operating transfers in	0	0	0	0
Operating transfers out	(100,000)	(290,975)	(291,964)	(989)
Net other financing sources (uses)	(100,000)	(290,975)	(291,964)	(989)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(71,400)	(266,325)	(269,940)	(3,615)
Fund balance at beginning of year	1,772,606	1,717,006	1,710,393	(6,613)
Fund balance at end of year	\$ 1,701,206	\$ 1,450,681	\$ 1,440,453	\$ (10,228)

See accompanying notes to the financial statements.

TOWN OF PLAIN DEALING, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balance Of
Governmental Funds - Budget (GAAP Basis) and Actual -
Capital Projects Fund

Year Ended December 31, 2019

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0
Franchise taxes	0	0	0	0
Sales taxes	0	0	0	0
Other taxes	0	0	0	0
Licenses and permits	0	0	0	0
Intergovernmental	0	0	0	0
Grant revenue	0	0	0	0
Interest income	0	0	0	0
Charges for services	0	0	0	0
Rental income	0	0	0	0
Fines and forfeits	0	0	0	0
Lake income	0	0	0	0
Other	0	0	0	0
Total revenues	0	0	0	0
Expenditures:				
General government	0	0	0	0
Public safety	0	0	0	0
Street and Sanitation	0	0	0	0
Capital outlays	0	0	0	0
Project expenditures	100,000	303,160	302,684	476
Total expenditures	100,000	303,160	302,684	476
Excess (deficiency) of revenues over expenditures	(100,000)	(303,160)	(302,684)	476
Other financing sources(uses):				
Operating transfers in	100,000	290,975	291,964	(989)
Operating transfers out	0	0	0	0
Net other financing sources (uses)	100,000	290,975	291,964	(989)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	0	(12,185)	(10,720)	(513)
Fund balance at beginning of year	(367,951)	(451)	11,743	12,194
Fund balance at end of year	\$ (367,951)	\$ (12,636)	\$ 1,024	\$ 11,681

See accompanying notes to the financial statements.

TOWN OF PLAIN DEALING, LOUISIANA

Schedule of Employer's Share of Net Pension Liability

Year Ended December 31, 2019

Year Ended June 30	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Employee Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.016300%	\$ 127,694	\$ 37,601	339.60%	70.73%
2016	0.015699%	\$ 147,144	\$ 43,977	334.59%	66.04%
2017	0.015247%	\$ 133,113	\$ 44,353	300.12%	70.10%
2018	0.015030%	\$ 127,065	\$ 44,353	286.49%	71.89%
2019	0.017554%	\$ 159,420	\$ 54,819	290.81%	71.01%

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

TOWN OF PLAIN DEALING, LOUISIANA

Schedule of Employer Contributions

Year Ended December 31, 2019

Year Ended June 30	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 13,734	\$ 13,734	\$ 0	\$ 127,693	10.76%
2016	\$ 12,973	\$ 12,973	\$ 0	\$ 43,977	29.50%
2017	\$ 14,082	\$ 14,082	\$ 0	\$ 44,353	31.75%
2018	\$ 13,639	\$ 13,639	\$ 0	\$ 44,353	30.75%
2019	\$ 17,679	\$ 17,679	\$ 0	\$ 54,819	32.25%

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

TOWN OF PLAIN DEALING, LOUISIANA

Note to Retirement System Schedules

Year Ended December 31, 2019

Municipal Police Employees' Retirement System

Changes of benefit terms - There were no changes of benefit terms for the year ended December 31, 2019.

Changes of assumptions - There were no changes of benefit assumptions for the year ended December 31, 2019.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF PLAIN DEALING, LOUISIANA
 Schedules of Compensation Paid Mayor and Aldermen and
 Compensation, Benefits, and Other Payments to Agency Head or
 Chief Executive Officer

For the Year Ended December 31, 2019

Compensation Paid to Mayor and Aldermen:

Mayor	
Dodson	\$ 18,000
Alderman/Alderwoman	
Cook	1,200
McGuffey	1,200
Gay	1,200
Haynie	1,200
Jennings	1,200
	<hr/>
Totals	\$ 24,000

Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer:

Agency Head Name: Mayor Dodson

Purpose	
Salary	\$ 18,000
Benefits - Insurance	0
Benefits - Retirement	0
Benefits - Other	0
Car Allowance	0
Vehicle Provided by Government	0
Per Diem	0
Reimbursements	0
Travel	0
Registration Fees	0
Conference Travel	0
Continuing Professional Education Fees	0
Housing	0
Unvouchered Expenses	0
Meals	0
	<hr/>
	\$ 18,000

See accompanying notes to the financial statements.

TOWN OF PLAIN DEALING, LOUISIANA
Combining Statement of Net Position
Proprietary Funds

December 31, 2019

ASSETS	Water Department	Sewer Department	Combined
Current Assets:			
Cash	\$ 123,998	\$ 288,449	\$ 412,447
Receivables	34,479	22,256	56,735
Due from other funds	235	670	905
Construction in Progress	5,500	0	5,500
Prepaid expenses	10,318	8,040	18,358
Total Current Assets	174,530	319,415	493,945
Restricted Assets			
Cash	49,071	0	49,071
Certificates of deposit	31,000	0	31,000
Total Restricted Assets	80,071	0	80,071
Property, Plant & Equipment, net	1,395,498	1,267,944	2,663,442
Total Assets	1,650,099	1,587,359	3,237,458
Deferred outflows of resources	0	0	0
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts payable	16,722	15,875	32,597
Due to other funds	7,408	5,527	12,935
Total Current Liabilities (Payable From Current Assets)	24,130	21,402	45,532
Current liabilities (payable from restricted assets):			
Customer deposits	73,855	0	73,855
Total Current Liabilities (Payable From Restricted Assets)	73,855	0	73,855
Long-Term Liabilities (payable from restricted assets):	0	0	0
Total liabilities (Payable From Restricted Assets)	73,855	0	73,855
Total Liabilities	97,985	21,402	119,387
Deferred inflows of resources	0	0	0
NET POSITION			
Net investment in capital assets	1,395,498	1,267,944	2,663,442
Restricted	80,071	2,020	82,091
Unrestricted	76,545	295,993	372,538
Total Net Position	\$ 1,552,114	\$ 1,565,957	\$ 3,118,071

See accompanying notes to the financial statements.

TOWN OF PLAIN DEALING, LOUISIANA
Combining Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds

For the Year Ended December 31, 2019

	Water Department	Sewer Department	Combined
Operating Revenues:			
Charges for services	\$ 314,975	\$ 182,870	\$ 497,845
Other	0	0	0
Total operating revenues	<u>314,975</u>	<u>182,870</u>	<u>497,845</u>
Operating Expenses:			
Personnel services	121,883	105,643	227,526
Contractual services	14,442	14,485	28,927
Supplies and materials	66,273	44,986	111,259
Heat, light and power	29,696	28,570	58,266
Depreciation	81,189	92,576	173,765
Other	61,227	29,752	90,979
Total operating expenses	<u>374,710</u>	<u>316,012</u>	<u>690,722</u>
Operating income (loss)	<u>(59,735)</u>	<u>(133,142)</u>	<u>(192,877)</u>
Nonoperating Revenues (Expenses):			
Grants	0	0	0
Interest income	1,136	1,342	2,478
Interest expense	0	0	0
Contribution-State Grant	0	0	0
Transfers in	0	0	0
Transfers out	0	0	0
Net Nonoperating revenues (expenses)	<u>1,136</u>	<u>1,342</u>	<u>2,478</u>
Change in Net Position	(58,599)	(131,800)	(190,399)
Net Position, beginning of year	<u>1,610,715</u>	<u>1,697,755</u>	<u>3,308,470</u>
Net Position, ending	<u>\$ 1,552,116</u>	<u>\$ 1,565,955</u>	<u>\$ 3,118,071</u>

See accompanying notes to the financial statements.

TOWN OF PLAIN DEALING, LOUISIANA
Combining Statement of Cash Flows
Proprietary Funds

For the Year Ended December 31, 2019

	Water Department	Sewer Department	Combined
Cash flows from operating activities:			
Receipts from customers	\$ 314,975	\$ 182,870	\$ 497,845
Cash payments to suppliers	(151,597)	(105,737)	(257,334)
Cash payments to employees for services	(121,883)	(105,643)	(227,526)
Net cash from operating activities	<u>41,495</u>	<u>(28,510)</u>	<u>12,985</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	0	0	0
Transfers to other funds	0	0	0
Net cash from noncapital financing Activities	<u>0</u>	<u>0</u>	<u>0</u>
Cash flows from capital and financing activities:			
Capital Grants	0	0	0
Purchases of capital assets	(3,250)	0	(3,250)
Net cash from capital and financing activities	<u>(3,250)</u>	<u>0</u>	<u>(3,250)</u>
Cash flows from investing activities:			
Interest income	1,136	1,342	2,478
Net cash from investing activities	<u>1,136</u>	<u>1,342</u>	<u>2,478</u>
Net increase (decrease) in cash	39,381	(27,168)	12,213
Cash, beginning of year	164,688	315,617	480,305
Cash, end of year	<u>\$ 204,069</u>	<u>\$ 288,449</u>	<u>\$ 492,518</u>
Cash is reflected on the statements of net position as follows:			
Cash	\$ 123,998	\$ 288,449	\$ 412,447
Cash-restricted	80,071	0	80,071
Total	<u>\$ 204,069</u>	<u>\$ 288,449</u>	<u>\$ 492,518</u>
Reconciliation of Operating Income(Loss) to Net Cash			
Provided(Used) by Operating Activities:			
Operating income(Loss)	\$ (59,735)	\$ (133,142)	\$ (192,877)
Adjustments to Reconciling Income (Loss) to Net Cash			
Provided(Used) by Operating Activities:			
Depreciation Expense	81,189	92,576	173,765
(Increase)decrease in receivables	(410)	(1,070)	(1,480)
(Increase)decrease in construction in progress	(1,000)	0	(1,000)
Increase(decrease) in accounts payable	10,525	7,654	18,179
(Increase)decrease in due from other fund	0	(417)	(417)
(Increase)decrease in prepaid expenses	9,236	5,791	15,027
Increase(decrease) customer deposits	1,035	0	1,035
Increase(decrease) in due to other funds	655	98	753
Net cash (used) by operating activities	<u>\$ 41,495</u>	<u>\$ (28,510)</u>	<u>\$ 12,985</u>

OTHER REPORTS



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

To the Mayor and Members
of the Board of Aldermen
Town of Plain Dealing, Louisiana

I 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 governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of Town of Plain Dealing, as of December 31, 2019 and related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued my report thereon dated June 27, 2020.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Town of Plain Dealing's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A deficiency in internal control exists when the design or operation 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 Town's financial statements will not be prevented, or detected 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.

My 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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

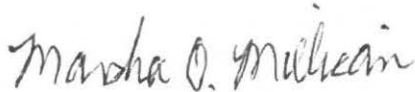
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Plain Dealing's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws,

regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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 Town'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 Statutes, it is issued by the Legislative Auditor as a public document.

A handwritten signature in cursive script, reading "Marsha O. Mulhearn".

Certified Public Accountant
June 27, 2020



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

To the Mayor
and Members of the Board of Aldermen
Town of Plain Dealing, Louisiana

I have performed the procedures enumerated below, which were agreed to by the Mayor and the Board of Aldermen of Town of Plain Dealing, Louisiana (the Town) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed Upon Procedures (SAUPs) for the fiscal year January 1 through December 31, 2019. The Town's management is responsible for those control and compliance 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 the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the Town. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

My procedures and associated findings are enumerated below.

Written Policies and Procedures

(The following written policies and procedures were not reviewed since there were no exceptions for the prior year, with the exception of the new policy added for Year 3, Disaster Recovery/Business Continuity).

1. I obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring and amending the budget.
 - 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. Note: Ethics requirements are not applicable to nonprofits.
- 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 available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Procedure Results - No exceptions noted.

Board or Finance Committee

(The following procedures were not performed since there were no exceptions in the prior year.)

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
- c) For governmental entities, obtain the prior year audit and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Bank Reconciliations

(The following procedures were not performed since there were no exceptions in the prior year.)

3. Obtain a listing of client bank accounts 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 individual 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 reconciliation include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/ board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - 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

(The following procedures were not performed since there were no exceptions in the prior year.)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledger, 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. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the five bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

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

(The following procedures were not performed since there were no exceptions in the prior year.)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the entity has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making a 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, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe 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

(The following procedures were not performed since there were no exceptions in the prior year.)

- 11 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 12 Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved in writing (or electronically approved) by someone other than the authorized card holder.
 - b) Observe 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 select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Travel and Expense Reimbursement

(The following procedures were not performed since there were no exceptions in the prior year.)

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

Contracts

(The following procedures were not performed since there were no exceptions in the prior year.)

- 15 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly, select 5 contracts (or all contracts if less than 5) from the listing and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change orders, observe that the original contract terms provided for such an amendment.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

(The following procedures were not performed since there were no exceptions in the prior year.)

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employee's/official, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly, select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees/officials' authorized pay rates in the employees/officials' personnel files.
- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

(The following procedures were not performed since there were no exceptions in the prior year.)

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

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

Debt Service

(The following procedures were not performed since there were no exceptions in the prior year.)

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

Other

(The following procedures were not performed since there were no exceptions in the prior year.)

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

I was not engaged and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Statewide Agreed-Upon Procedures. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the Town and the LLA, and is not intended to be, and should not be, used by anyone other than the specified parties. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:514, this report is distributed by the LLA as a public document.



Certified Public Accountant
June 30, 2020