

CITY OF VILLE PLATTE, LOUISIANA

Financial Statements

Year Ended June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Ville Platte (City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ville Platte, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information, the schedule of funding progress, employer's share of net pension liability, and employer contributions (pages 50-56) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other financial information and supplemental information (pages 59-71) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards (page 77) is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The financial data schedules are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development, and is also not a required part of the basic financial statements.

The other financial information (pages 66–68), the schedule of expenditures of federal awards, and the financial data schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other financial information and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison schedules (pages 59-65) and the other supplemental information (pages 70-71) have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2017, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 28, 2017

BASIC FINANCIAL STATEMENTS

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

CITY OF VILLE PLATTE, LOUISIANA

Statement of Net Position
June 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and interest-bearing deposits	\$ 5,922,532	\$ 458,644	\$ 6,381,176
Receivables, net	97,674	485,707	583,381
Due from other governmental units	48,406	111,290	159,696
Inventories, at cost	-	20,854	20,854
Prepaid items	46,606	23,513	70,119
Restricted assets:			
Cash and interest-bearing deposits	-	2,104,814	2,104,814
Capital assets, net	<u>7,939,882</u>	<u>19,732,596</u>	<u>27,672,478</u>
Total assets	<u>14,055,100</u>	<u>22,937,418</u>	<u>36,992,518</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	<u>2,097,011</u>	<u>469,190</u>	<u>2,566,201</u>
LIABILITIES			
Bank overdraft	39,872	-	39,872
Accounts and other payables	335,915	648,385	984,300
Internal balances	99,129	(99,129)	-
Accrued interest	15,077	48,709	63,786
Long-term liabilities:			
Portion due within one year -			
Capital lease payable	66,016	3,133	69,149
Note payable	-	28,500	28,500
Bonds payable	255,000	505,000	760,000
Portion due after one year -			
Compensated absences payable	287,132	102,913	390,045
Customers deposits payable	-	470,982	470,982
Capital lease payable	73,247	-	73,247
Note payable	-	22,054	22,054
Bonds payable	815,000	9,434,000	10,249,000
Net OPEB obligation payable	276,196	60,998	337,194
Net pension liability	<u>5,977,537</u>	<u>1,226,623</u>	<u>7,204,160</u>
Total liabilities	<u>8,240,121</u>	<u>12,452,168</u>	<u>20,692,289</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	<u>619,919</u>	<u>44,046</u>	<u>663,965</u>
NET POSITION			
Net investment in capital assets	6,730,620	10,155,455	16,886,075
Restricted for sales tax dedications	953,547	-	953,547
Restricted for street and drainage	2,900,032	-	2,900,032
Restricted for debt service	1,520,148	501,367	2,021,515
Restricted for water fund operations	-	349,456	349,456
Unrestricted (deficit)	<u>(4,812,276)</u>	<u>(95,884)</u>	<u>(4,908,160)</u>
Total net position	<u>\$ 7,292,071</u>	<u>\$ 10,910,394</u>	<u>\$ 18,202,465</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2017

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 2,293,222	\$ 393,340	\$ 288,684	\$ (1,611,198)	\$ -	\$ (1,611,198)
Public safety:						
Police	2,613,597	90,273	113,953	(2,409,371)	-	(2,409,371)
Fire	1,185,076	-	344,887	(840,189)	-	(840,189)
Streets	1,156,903	-	19,778	(1,137,125)	-	(1,137,125)
Culture and recreation	599,394	-	25,693	(573,701)	-	(573,701)
Interest on long-term debt	64,597	-	-	(64,597)	-	(64,597)
Total governmental activities	<u>7,912,789</u>	<u>483,613</u>	<u>792,995</u>	<u>(6,636,181)</u>	<u>-</u>	<u>(6,636,181)</u>
Business-type activities:						
Gas	1,683,935	1,581,610	-	-	(102,325)	(102,325)
Water	2,060,132	1,374,963	-	-	(685,169)	(685,169)
Sewer	971,367	742,058	-	-	(229,309)	(229,309)
Housing assistance	666,943	-	635,134	-	(31,809)	(31,809)
Total business-type activities	<u>5,382,377</u>	<u>3,698,631</u>	<u>635,134</u>	<u>-</u>	<u>(1,048,612)</u>	<u>(1,048,612)</u>
Total	<u>\$ 13,295,166</u>	<u>\$ 4,182,244</u>	<u>\$ 1,428,129</u>	<u>(6,636,181)</u>	<u>(1,048,612)</u>	<u>(7,684,793)</u>

General revenues:

Taxes -			
Property taxes, levied for general purposes	726,014	526,406	1,252,420
Sales and use taxes, levied for general purposes	2,857,884	-	2,857,884
Payment in lieu of taxes	384,281	-	384,281
Franchise and chain store taxes	386,472	-	386,472
Grants and contributions not restricted to specific programs -			
State sources	20,607	-	20,607
Non-employer pension contribution	126,825	17,556	144,381
Interest and investment earnings	10,856	5,738	16,594
Miscellaneous	429,017	-	429,017
<i>Special item</i> - donation of property	810,000	-	810,000
Transfers	780,404	(780,404)	-
Total general revenues and transfers	<u>6,532,360</u>	<u>(230,704)</u>	<u>6,301,656</u>
Change in net position		(103,821)	(1,383,137)
Net position - July 1, 2016	<u>7,395,892</u>	<u>12,189,710</u>	<u>19,585,602</u>
Net position - June 30, 2017	<u>\$ 7,292,071</u>	<u>\$ 10,910,394</u>	<u>\$ 18,202,465</u>

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

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTIONS

General Fund

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

Special Revenue Funds

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

1975 Sales Tax Fund -

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

1984 Sales Tax Fund -

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

City Court Fund -

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

Debt Service Fund

Debt service funds are used to accumulate resources to be used to make debt service principal and interest payments on general obligation long-term debt.

P.I. Sales Tax Bonds Debt Service Fund

To accumulate monies for payment of the \$2,485,000 Public Improvement Sales Tax Refunding Bonds Series ST-2007. Debt service is financed by the collection of the 1984 one percent sales tax.

Capital Project Fund

Capital project funds are used to account for the financial resources received and used to acquire, construct, or improve capital facilities not reported in other governmental funds.

Municipal Building Construction Fund

To account for the financing and construction of a City Hall Complex including a City Court and Police Department. Funds were provided through the issuance of a \$3,500,000 Public Improvement Sales Tax Bond, Series ST-2001.

Enterprise Funds

Utility Fund -

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

Section 8 Housing Program

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

CITY OF VILLE PLATTE, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2017

	General Fund	1975 Sales Tax Special Revenue	1984 Sales Tax Special Revenue	City Court Fund	P. I. Sales Tax Bonds Debt Service Fund	Municipal Building Construction	Totals
ASSETS							
Cash and interest-bearing deposits	\$3,367,712	\$ 6,710	\$924,927	\$ -	\$ 1,535,225	\$ 87,958	\$5,922,532
Receivables:							
Taxes	7,301	-	-	-	-	-	7,301
Other	90,373	-	-	-	-	-	90,373
Due from other funds	-	-	21,910	-	-	-	21,910
Due from other governmental units	42,436	-	-	5,970	-	-	48,406
Prepaid items	41,895	-	-	4,711	-	-	46,606
Total assets	<u>\$3,549,717</u>	<u>\$ 6,710</u>	<u>\$946,837</u>	<u>\$ 10,681</u>	<u>\$ 1,535,225</u>	<u>\$ 87,958</u>	<u>\$6,137,128</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Bank overdraft	\$ -	\$ -	\$ -	\$39,872	\$ -	\$ -	\$ 39,872
Accounts payable	110,010	430	-	9,702	-	-	120,142
Accrued liabilities	215,773	-	-	-	-	-	215,773
Due to other funds	121,039	-	-	-	-	-	121,039
Total liabilities	<u>446,822</u>	<u>430</u>	<u>-</u>	<u>49,574</u>	<u>-</u>	<u>-</u>	<u>496,826</u>
Fund balances:							
Nonspendable (prepaid items)	41,895	-	-	4,711	-	-	46,606
Restricted -							
Sales tax dedications	-	6,280	946,837	-	-	-	953,117
Debt service	-	-	-	-	1,535,225	-	1,535,225
Street and drainage	2,900,032	-	-	-	-	-	2,900,032
Assigned -							
Capital projects	-	-	-	-	-	87,958	87,958
Unassigned	160,968	-	-	(43,604)	-	-	117,364
Total fund balances	<u>3,102,895</u>	<u>6,280</u>	<u>946,837</u>	<u>(38,893)</u>	<u>1,535,225</u>	<u>87,958</u>	<u>5,640,302</u>
Total liabilities and fund balances	<u>\$3,549,717</u>	<u>\$ 6,710</u>	<u>\$946,837</u>	<u>\$ 10,681</u>	<u>\$ 1,535,225</u>	<u>\$ 87,958</u>	<u>\$6,137,128</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2017

Total fund balances for governmental funds at June 30, 2017		\$ 5,640,302
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 676,415	
Buildings, net of \$3,470,577 accumulated depreciation	4,509,589	
Infrastructure, net of \$2,923,411,797 accumulated depreciation	2,391,371	
Equipment, furniture and fixtures, net of \$1,291,461 accumulated depreciation	230,307	
Improvements, net of \$239,751 accumulated depreciation	<u>132,200</u>	7,939,882
Elimination of interfund assets and liabilities		
Due from other funds	21,910	
Due to other funds	<u>(21,910)</u>	-
The deferred outflows of expenditures for the municipal, police, fire, and state employees retirement systems are not available resources, and therefore, are not reported in the funds		2,097,011
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year end consist of:		
Accrued interest	(15,077)	
Bonds payable	(1,070,000)	
Capital leases payable	(139,263)	
Compensated absences payable	<u>(287,132)</u>	(1,511,472)
Net OPEB obligation payable		(276,196)
Net pension payable		(5,977,537)
The deferred inflows of contributions for the municipal, police and fire, and state employees retirement systems are not payable from current expendable resources and, therefore, are not reported in the funds		<u>(619,919)</u>
Net position at June 30, 2017		<u>\$ 7,292,071</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended June 30, 2017

	General Fund	1975 Sales Tax Special Revenue	1984 Sales Tax Special Revenue	City Court	P. I. Sales Tax Bonds Debt Service Fund	Municipal Building Construction	Totals
Revenues:							
Taxes	\$ 1,496,767	\$ 1,428,942	\$ 1,428,942	\$ -	\$ -	\$ -	\$ 4,354,651
Licenses and permits	393,340	-	-	-	-	-	393,340
Intergovernmental	700,995	-	-	112,607	-	-	813,602
Fines and forfeits	-	-	-	39,462	-	-	39,462
Marshall fees	-	-	-	50,811	-	-	50,811
Miscellaneous	416,806	38	1,965	19,510	1,554	-	439,873
Total revenues	<u>3,007,908</u>	<u>1,428,980</u>	<u>1,430,907</u>	<u>222,390</u>	<u>1,554</u>	<u>-</u>	<u>6,091,739</u>
Expenditures:							
Current -							
General government	1,162,564	40,216	161,109	699,947	-	-	2,063,836
Public safety:							
Police	2,658,609	-	-	-	-	-	2,658,609
Fire	1,082,198	-	-	-	-	-	1,082,198
Streets and drainage	866,070	-	-	-	-	-	866,070
Culture and recreation	480,082	-	-	-	-	-	480,082
Capital outlay	872,141	-	-	-	-	-	872,141
Debt service -							
Principal retirement	202,906	-	-	16,963	240,000	-	459,869
Interest and fiscal charges	13,451	-	-	1,109	55,273	-	69,833
Total expenditures	<u>7,338,021</u>	<u>40,216</u>	<u>161,109</u>	<u>718,019</u>	<u>295,273</u>	<u>-</u>	<u>8,552,638</u>
Excess (deficiency) of revenues over expenditures	<u>(4,330,113)</u>	<u>1,388,764</u>	<u>1,269,798</u>	<u>(495,629)</u>	<u>(293,719)</u>	<u>-</u>	<u>(2,460,899)</u>
Other financing sources (uses):							
Transfers in	3,616,227	-	-	431,085	299,363	-	4,346,675
Transfers out	(218,285)	(1,423,623)	(1,924,363)	-	-	-	(3,566,271)
Total other financing sources (uses)	<u>3,397,942</u>	<u>(1,423,623)</u>	<u>(1,924,363)</u>	<u>431,085</u>	<u>299,363</u>	<u>-</u>	<u>780,404</u>
Special item - donation of property	810,000	-	-	-	-	-	810,000
Net changes in fund balances	(122,171)	(34,859)	(654,565)	(64,544)	5,644	-	(870,495)
Fund balances, beginning	3,225,066	41,139	1,601,402	25,651	1,529,581	87,958	6,510,797
Fund balances, ending	<u>\$ 3,102,895</u>	<u>\$ 6,280</u>	<u>\$ 946,837</u>	<u>\$ (38,893)</u>	<u>\$ 1,535,225</u>	<u>\$ 87,958</u>	<u>\$ 5,640,302</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2017

Total net change in fund balances for the year ended June 30, 2017 per statement of revenues, expenditures and changes in fund balances			\$ (870,495)
The change in net position reported for governmental activities in the statement of activities is different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances		\$ 851,941	
Depreciation expense		<u>(532,294)</u>	319,647
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position			
Bond principal retirement		385,000	
Capital lease principal payments		<u>74,868</u>	459,868
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Decrease in accrued interest		5,237	
Increase in compensated absences		(45,822)	
Increase in OPEB obligation payable		<u>(26,570)</u>	(67,155)
Pension (expense) benefit not requiring the use of current economic resources and therefore, not recorded as a fund expenditure			(72,511)
Nonemployer's contributions to the municipal, police and fire employees pension plan			<u>126,825</u>
Change in net position for the year ended June 30, 2017 per statement of activities			<u>\$ (103,821)</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Statement of Net Position
 Proprietary Funds - Enterprise Funds
 June 30, 2017

	Utility Fund	Section 8 Housing Program	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 346,063	\$ 112,581	\$ 458,644
Receivables:			
Accounts, net of allowance for bad debt	348,140	-	348,140
Unbilled utility receivables	132,365	-	132,365
Ad valorem tax	5,202	-	5,202
Due from other funds	121,039	-	121,039
Due from other governmental units	111,290	-	111,290
Prepaid items	23,513	-	23,513
Inventory - materials and supplies, at cost	20,854	-	20,854
Total current assets	<u>1,108,466</u>	<u>112,581</u>	<u>1,221,047</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	2,104,814	-	2,104,814
Capital assets, net of accumulated depreciation	19,732,596	-	19,732,596
Total noncurrent assets	<u>21,837,410</u>	<u>-</u>	<u>21,837,410</u>
Total assets	<u>22,945,876</u>	<u>112,581</u>	<u>23,058,457</u>
Deferred outflows of resources	<u>409,138</u>	<u>60,052</u>	<u>469,190</u>
LIABILITIES			
Current liabilities:			
Accounts payable	83,092	-	83,092
Accrued liabilities	106,747	-	106,747
Contracts payable	261,856	-	261,856
Retainage payable	196,690	-	196,690
Due to other funds	21,910	-	21,910
Capital lease payable	3,133	-	3,133
Note payable	28,500	-	28,500
Payable from restricted assets -			
Revenue bonds	505,000	-	505,000
Accrued interest payable	48,709	-	48,709
Total current liabilities	<u>1,255,637</u>	<u>-</u>	<u>1,255,637</u>
Noncurrent liabilities:			
Compensated absences payable	102,913	-	102,913
OPEB obligation	60,998	-	60,998
Net pension liability	1,070,946	155,677	1,226,623
Customers' deposits	470,982	-	470,982
Note payable	22,054	-	22,054
Revenue bonds payable	9,434,000	-	9,434,000
Total noncurrent liabilities	<u>11,161,893</u>	<u>155,677</u>	<u>11,317,570</u>
Total liabilities	<u>12,417,530</u>	<u>155,677</u>	<u>12,573,207</u>
Deferred inflows of resources	<u>38,757</u>	<u>5,289</u>	<u>44,046</u>
NET POSITION			
Invested in capital assets, net of related debt	10,155,455	-	10,155,455
Restricted for debt service	501,367	-	501,367
Restricted for water fund operations	349,456	-	349,456
Unrestricted	(107,551)	11,667	(95,884)
Total net position	<u>\$ 10,898,727</u>	<u>\$ 11,667</u>	<u>\$ 10,910,394</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds - Enterprise Funds
 For the Year Ended June 30, 2017

	Utility Fund	Section 8 Housing Program	Total
Operating revenues:			
Charges for services	\$ 3,493,841	\$ -	\$ 3,493,841
Connection and inspection fees	56,262	-	56,262
Federal grants	-	606,349	606,349
Other revenue	148,528	28,785	177,313
Total operating revenues	<u>3,698,631</u>	<u>635,134</u>	<u>4,333,765</u>
Operating expenses:			
Gas department expenses	1,615,032	-	1,615,032
Water department expenses	1,079,271	-	1,079,271
Sewerage department expenses	715,534	-	715,534
Housing assistance expenses	-	666,943	666,943
Depreciation expense	1,180,206	-	1,180,206
Total operating expenses	<u>4,590,043</u>	<u>666,943</u>	<u>5,256,986</u>
Operating loss	<u>(891,412)</u>	<u>(31,809)</u>	<u>(923,221)</u>
Nonoperating revenues (expenses):			
Nonemployer pension contribution	15,468	2,088	17,556
Interest income	5,602	136	5,738
Ad valorem taxes	526,406	-	526,406
Interest expense	(78,069)	-	(78,069)
Paying agent's fees	(47,322)	-	(47,322)
Total nonoperating revenues (expenses)	<u>422,085</u>	<u>2,224</u>	<u>424,309</u>
Loss before transfers	<u>(469,327)</u>	<u>(29,585)</u>	<u>(498,912)</u>
Transfers in (out):			
Transfers in	503,500	-	503,500
Transfers out	(1,283,904)	-	(1,283,904)
Total transfers in (out)	<u>(780,404)</u>	<u>-</u>	<u>(780,404)</u>
Change in net position	(1,249,731)	(29,585)	(1,279,316)
Net position, beginning	<u>12,148,458</u>	<u>41,252</u>	<u>12,189,710</u>
Net position, ending	<u>\$ 10,898,727</u>	<u>\$ 11,667</u>	<u>\$ 10,910,394</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2017

	Utility Fund	Section 8 Housing Program	Total
Cash flows from operating activities:			
Receipts from customers	\$ 3,590,703	\$ -	\$ 3,590,703
Operating grant	-	606,349	606,349
Payments to suppliers	(1,084,534)	(92,896)	(1,177,430)
Payments to landlords/tenants	-	(530,141)	(530,141)
Payments to employees	(908,786)	(85,900)	(994,686)
Other receipts	<u>148,528</u>	<u>80,784</u>	<u>229,312</u>
Net cash provided (used) by operating activities	<u>1,745,911</u>	<u>(21,804)</u>	<u>1,724,107</u>
Cash flows from noncapital financing activities:			
Cash received from other funds	21,910	-	21,910
Cash paid to other funds	(118,616)	-	(118,616)
Ad valorem taxes	526,406	-	526,406
Nonemployer pension contribution	15,468	2,088	17,556
Transfers from other funds	503,500	-	503,500
Transfers to other funds	<u>(1,283,904)</u>	<u>-</u>	<u>(1,283,904)</u>
Net cash provided (used) by noncapital financing activities	<u>(335,236)</u>	<u>2,088</u>	<u>(333,148)</u>
Cash flows from capital and related financing activities:			
Principal paid on revenue bonds	(486,000)	-	(486,000)
Interest and fiscal charges	(127,924)	-	(127,924)
Principal paid on note payable	(27,388)	-	(27,388)
Principal paid on capital lease	(18,553)	-	(18,553)
Change in meter deposits	(8,187)	-	(8,187)
Acquisition of capital assets	<u>(1,579,921)</u>	<u>-</u>	<u>(1,579,921)</u>
Net cash used by capital and related financing activities	<u>(2,247,973)</u>	<u>-</u>	<u>(2,247,973)</u>
Cash flows from investing activities:			
Interest on investments	<u>5,602</u>	<u>136</u>	<u>5,738</u>
Net decrease in cash and cash equivalents	(831,696)	(19,580)	(851,276)
Cash and cash equivalents, beginning of period	<u>3,282,573</u>	<u>132,161</u>	<u>3,414,734</u>
Cash and cash equivalents, end of period	<u>\$ 2,450,877</u>	<u>\$ 112,581</u>	<u>\$ 2,563,458</u>

(continued)

CITY OF VILLE PLATTE, LOUISIANA

Statement of Cash Flows
 Proprietary Funds (Continued)
 For the Year Ended June 30, 2017

	Utility Fund	Section 8 Housing Program	Total
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating loss	\$ (891,412)	\$ (31,809)	\$ (923,221)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	1,180,206	-	1,180,206
Changes in current assets and liabilities:			
(Increase) decrease in accounts receivable	(40,600)	-	(40,600)
Increase in provision for uncollectible accounts	67,500	-	67,500
Decrease in unbilled utility receivables	1,021	-	1,021
Decrease in other receivables	3,985	-	3,985
Decrease in due from other governmental units	1,181,708	-	1,181,708
Increase in inventory	16,596	-	16,596
Decrease in prepaid items	(3,859)	-	(3,859)
Increase in deferred outflows of resources	(76,988)	(10,394)	(87,382)
Decrease in accounts payable	20,071	-	20,071
Decrease in accrued liabilities	29,233	-	29,233
Decrease in contracts/retainage payable	85,165	-	85,165
Increase in compensated absences payable	17,786	-	17,786
Decrease in OPEB obligation	4,410	-	4,410
Increase in net pension liability	154,978	20,924	175,902
Decrease in deferred inflows of resources	(3,889)	(525)	(4,414)
Net cash provided (used) by operating activities	<u>\$ 1,745,911</u>	<u>\$ (21,804)</u>	<u>\$ 1,724,107</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position:			
Cash and cash equivalents, beginning of period -			
Cash and interest-bearing deposits - unrestricted	\$ 414,491	\$ 132,161	\$ 546,652
Cash and interest-bearing deposits - restricted	<u>2,868,082</u>	<u>-</u>	<u>2,868,082</u>
Total cash and cash equivalents	<u>3,282,573</u>	<u>132,161</u>	<u>3,414,734</u>
Cash and cash equivalents, end of period -			
Cash and interest-bearing deposits - unrestricted	346,063	112,581	458,644
Cash and interest-bearing deposits - restricted	<u>2,104,814</u>	<u>-</u>	<u>2,104,814</u>
Total cash and cash equivalents	<u>2,450,877</u>	<u>112,581</u>	<u>2,563,458</u>
Net decrease	<u>\$ (831,696)</u>	<u>\$ (19,580)</u>	<u>\$ (851,276)</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

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

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

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

The major funds of the City are described below:

Governmental Funds -

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

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

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

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The P. I. Sales Tax Bonds Debt Service Fund accounts for the accumulation of monies for payment of the \$2,485,000 Series 2007 Sales and Use Tax Refunding Bonds.

The Municipal Building Construction Fund accounts for the financing and construction of a City Hall Complex including a City Court and Police Department. Funds were provided through the issuance of a \$3,500,000 Public Improvement Sales Tax Bond.

Proprietary Funds -

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

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

Basis of Accounting

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

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

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

Program revenues

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Allocation of indirect expenses

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

Use of Restricted Resources

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

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

Cash and interest-bearing deposits

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

Interfund receivables and payables

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include franchise taxes and state or federal grants. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2017, an allowance for ad valorem taxes was considered unnecessary due to immateriality. The allowance for uncollectibles for customers' utility receivables was \$358,854 at June 30, 2017. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items.

Inventories

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

Capital Assets

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

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

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

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

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

Compensated Absences

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

Restricted Assets

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

Long-term debt

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

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

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At June 30, 2017, the City's deferred outflows and inflows of resources are attributable to its pension plans.

Equity Classifications

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

- a. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the City's Mayor and Board of Aldermen, which is the highest level of decision-making authority for the City.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted policy, only the Board of Aldermen may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

Governmental Funds - By Character:
Proprietary Fund - By Operating and Nonoperating

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

Interfund Transfers

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

F. Revenue Restrictions

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

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

G. Use of Estimates

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

H. Capitalization of Interest Expense

It is the policy of the City of Ville Platte to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. During the year, the City incurred interest costs totaling \$279,578 of which \$201,509 was capitalized.

(2) Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the City has cash and interest-bearing deposits (book balances) totaling \$8,446,118 as follows:

Demand deposits (interest and non-interest bearing)	\$ 7,506,259
Savings and certificates of deposit	939,859
Total	<u>\$ 8,446,118</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2017, were secured as follows:

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Bank balances	<u>\$ 9,253,643</u>
Federal deposit insurance	\$ 1,194,158
Pledged securities	<u>8,059,485</u>
Total	<u>\$ 9,253,643</u>

Deposits in the amount of \$8,059,485 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the City's name. The City does not have a policy for custodial credit risk.

(3) Receivables

Receivables at June 30, 2017 of \$583,381 consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ -	\$ 348,140	\$ 348,140
Unbilled utility	-	132,365	132,365
Ad valorem taxes	7,301	5,202	12,503
Franchise tax	90,373	-	90,373
Totals	<u>\$ 97,674</u>	<u>\$ 485,707</u>	<u>\$ 583,381</u>

(4) Due from Other Governmental Units

Amounts due from other governmental units consisted of the following at June 30, 2017:

General Fund:		
Evangeline Parish Ward One Fire District No. 2 for fire protection services		\$ 20,080
State of Louisiana Inmate Housing		9,561
State of Louisiana Highway Maintenance		7,475
State of Louisiana for beer tax		5,320
Total General Fund		<u>42,436</u>
Major fund - City Court		
Fines and forfeits		2,062
Salaries reimbursement		3,908
Total major fund		<u>5,970</u>
Proprietary Funds:		
LDHH - Drinking Water Revolving Loan Fund Program		111,290
Total		<u>\$ 159,696</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 676,415	\$ -	\$ -	\$ 676,415
Other capital assets:				
Buildings	7,070,166	810,000	-	7,880,166
Infrastructure	5,314,782	-	-	5,314,782
Equipment, furniture and fixtures	1,479,827	41,941	-	1,521,768
Improvements other than buildings	371,951	-	-	371,951
Totals	<u>14,913,141</u>	<u>851,941</u>	<u>-</u>	<u>15,765,082</u>
Less accumulated depreciation				
Buildings	3,275,550	195,027	-	3,470,577
Infrastructure	2,813,134	110,277	-	2,923,411
Equipment, furniture and fixtures	1,079,798	211,663	-	1,291,461
Improvements other than buildings	224,424	15,327	-	239,751
Total accumulated depreciation	<u>7,392,906</u>	<u>532,294</u>	<u>-</u>	<u>7,925,200</u>
Governmental activities, capitals assets, net	<u>\$ 7,520,235</u>	<u>\$ 319,647</u>	<u>\$ -</u>	<u>\$ 7,839,882</u>
	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 101,325	\$ -	\$ -	\$ 101,325
Construction in progress	3,391,629	1,579,920	-	4,971,549
Other capital assets:				
Gas system	3,926,868	-	-	3,926,868
Water system	17,518,757	-	-	17,518,757
Sewer system	11,356,674	-	-	11,356,674
Machinery and equipment	402,899	-	-	402,899
Totals	<u>36,698,152</u>	<u>1,579,920</u>	<u>-</u>	<u>38,278,072</u>
Less accumulated depreciation				
Gas system	3,609,634	64,975	-	3,674,609
Water system	7,367,776	832,969	-	8,200,745
Sewer system	6,122,957	243,905	-	6,366,862
Machinery and equipment	264,903	38,357	-	303,260
Total accumulated depreciation	<u>17,365,270</u>	<u>1,180,206</u>	<u>-</u>	<u>18,545,476</u>
Business-type activities, capital assets, net	<u>\$ 19,332,882</u>	<u>\$ 399,714</u>	<u>\$ -</u>	<u>\$ 19,732,596</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 68,110
Police	110,871
Fire	26,138
Streets	253,363
Culture and recreation	73,812
Total depreciation expense	<u>\$ 532,294</u>

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

Gas	\$ 68,903
Water	855,470
Sewer	255,833
Total depreciation expense	<u>\$ 1,180,206</u>

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

Restricted assets consisted of the following at June 30, 2017:

Bond and interest sinking fund	\$ 41,563
Bond reserve fund	711,411
Renewal and replacement fund	302,101
Customers' deposits	470,982
Phase II water construction	229,301
Water improvement taxes	349,456
	<u>\$ 2,104,814</u>

(7) Ad Valorem Taxes

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

For the year ended June 30, 2017, taxes of 35.26 mills were levied on property with assessed valuations totaling \$35,674,990 and were dedicated as follows:

General and corporate purposes	6.86	mills
Street and Drainage maintenance	9.80	mills
Police and Fire	3.93	mills
Water system	<u>14.67</u>	mills
Total	<u>35.26</u>	mills

Total taxes levied were \$1,257,912. Taxes receivable at June 30, 2017 were \$12,503.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

A one percent sales and use tax levied by the City in 1975 (2017 collections \$1,428,942) is dedicated to the following purposes:

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

A one percent sales and use tax levied by the City beginning in 1984 (2017 collections \$1,428,942) is dedicated to these purposes:

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

(9) Accounts, Salaries, and Other Payables

The accounts and other payables consisted of the following at June 30, 2017:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 120,142	\$ 83,092	\$ 203,234
Other liabilities	215,773	106,747	322,520
Contracts payable	-	261,856	261,856
Retainage payable	-	196,690	196,690
Totals	<u>\$ 335,915</u>	<u>\$ 648,385</u>	<u>\$ 984,300</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(10) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions for the year ended June 30, 2017:

	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017	Amount due in one year
Long-term debt:					
Revenue bonds	\$ 10,425,000	\$ -	\$ 486,000	\$ 9,939,000	\$ 505,000
General obligation	1,455,000	-	385,000	1,070,000	255,000
Note payable	77,942	-	27,388	50,554	28,500
Capital leases	235,817	-	93,421	142,396	69,149
Other liabilities					
Compensated absences	326,437	63,608	-	390,045	-
	<u>\$ 12,520,196</u>	<u>\$ 63,608</u>	<u>\$ 991,809</u>	<u>\$ 11,591,995</u>	<u>\$ 857,649</u>

The revenue bonds and note payable are liquidated by the Utility Proprietary Fund. General obligation bonds are associated with governmental activities. Capital leases are liquidated by the General Fund and Utility Fund. Compensated absences are generally liquidated by the General Fund and Utility Fund.

Bonds payable at June 30, 2017 are comprised of the following individual issues:

General obligation bonds:

\$2,485,000 Sales and Use Tax Revenue Refunding Bonds, Series 2007, due in annual installments of \$240,000 - \$285,000 through March 1, 2021; interest at 4.05 - \$ 1,070,000 4.30 percent, secured by sales tax revenues.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Revenue bonds:

\$2,000,000 Utilities Revenue Bonds, Series 2010A, of which 50% of the principal of the bonds have been forgiven simultaneously with payments by the Department of Health & Hospitals. At the time of the debt forgiveness, these amounts were recognized as grant revenue. The remaining \$1,000,000 revenue bonds are due in annual installments of \$54,000 - \$79,000 through May 1, 2029; interest at 2.95 percent; secured by Utility Fund revenues and ad valorem taxes of 14.67 mills.	\$ 791,000
\$2,050,000 Utilities Revenue Bonds, Series 2010B, due in annual installments of \$112,000 - \$162,000 through May 1, 2029; interest at 2.95 percent; secured by Utility Fund revenues and ad valorem taxes of 14.67 mills.	1,628,000
\$9,450,000 Utilities Revenue Bonds, Series 2012, of which \$1,125,000 of the principal of the bonds have been forgiven simultaneously with payments by the Department of Health & Hospitals. At the time of the debt forgiveness, these amounts were recognized as grant revenue. The remaining \$8,248,000 revenue bonds are due in annual installments of \$339,000 - \$563,000 through May 1, 2033; interest at 2.95 percent; secured by Utility Fund revenues and ad valorem taxes of 14.67 mills.	7,520,000
	<u>\$ 9,939,000</u>

The bonds are due as follows:

Year ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 255,000	\$ 45,233	\$ 505,000	\$ 292,256
2019	260,000	34,650	523,000	276,529
2020	270,000	23,730	541,000	260,241
2021	285,000	12,255	559,000	243,391
2022	-	-	578,000	225,980
2023-2027	-	-	3,205,000	847,004
2028-2032	-	-	3,023,000	338,400
2033	-	-	1,005,000	16,609
	<u>\$1,070,000</u>	<u>\$ 115,868</u>	<u>\$ 9,939,000</u>	<u>\$ 2,500,410</u>

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's governmental activities column of the statement of net position. As of June 30, 2017, there remained a balance of \$1,075,000 of defeased sales tax bonds, which were removed from the statement of net position.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Notes payable at June 30, 2017 consists of an installment purchase agreement with Yard Card Plus, dated August 5, 2015, due in monthly installments of \$2,950, at 3.99 percent, through February 5, 2019.

Year ending June 30,	Business-type Activities	
	Principal	Interest
2018	\$ 28,500	\$ 1,500
2019	22,054	359
	<u>\$ 50,554</u>	<u>\$ 1,859</u>

The City is obligated under four capital leases. The leased assets are recorded in capital assets at \$150,804 (net of accumulated depreciation of \$253,554) and the applicable debt recorded in long-term debt. The following is a schedule of future minimum lease payments under the lease and the present value of the net minimum lease payments at June 30, 2017.

Fiscal Year	Governmental Activities	Business-type Activities	Total
2018	\$ 72,445	\$ 3,142	\$ 75,587
2019	51,958	-	51,958
2020	22,194	-	22,194
Total minimum lease payments	146,597	3,142	149,739
Less amount representing interest	(7,334)	(9)	(7,343)
Present value of minimum lease payments	<u>\$ 139,263</u>	<u>\$ 3,133</u>	<u>\$ 142,396</u>

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

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

Bond and Interest Sinking Fund -

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Reserve Fund –

The Utilities Revenue Bond Reserve Fund is maintained solely for the purpose of paying the principal of and the interest on bonds payable from the sinking fund as to which there would otherwise be default. The fund is required to be funded in an amount equal to the reserve fund requirement (\$416,725) at June 30, 2017).

Capital Additions and Contingencies Fund -

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

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

(12) On-behalf Payments for Salaries

The City of Ville Platte receives on-behalf payments from the State of Louisiana for police, fire and city marshal salaries. On-behalf payments to the City totaled \$180,015 for the fiscal year end June 30, 2017. Such payments are recorded as intergovernmental revenues and as public safety and general government expenditures in the government-wide, General Fund and City Court Fund financial statements.

(13) Pension Plans

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

Plan Descriptions:

Municipal Employees' Retirement System (MERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:173. The Government participates in Plan A.

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

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

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

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

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

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

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

⁶ Five to ten years of creditable service at age 60 depending upon the plan or when hired

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. In addition, MERS receives a percentage of ad valorem taxes collected by parishes. These entities are not participating employers in the pension systems and are considered to be nonemployer contributing entities. Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2017 for the defined benefit pension plans in which the primary government is a participating employer were as follows:

Plan	Active Member Contribution Percentage	Employer Contribution Percentage	Amount from Nonemployer Contributing Entities	Amount of Government Contributions
MERS	9.50%	22.75%	\$ 50,472	\$ 322,776
MPERS	10.00%	31.75%	\$ 44,254	\$ 272,105
FRS	10.00%	25.25%	\$ 49,656	\$ 118,031
LASERS	13.00%	36.70%	\$ -	\$ 21,628

Net Pension Liability

The City's net pension liability at June 30, 2017 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2016) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability for each of the plans in which it participates was based on the City's required contributions in proportion to total required contributions for all employers.

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

Plan	Proportionate Share of Net Pension Liability	Proportionate Share (%) of Net Pension Liability	Increase/(Decrease) from Prior Measurement Date
MERS	\$3,414,118	0.832974%	0.018778%
MPERS	2,229,428	0.237861%	-0.026761%
FRS	1,308,312	0.200020%	-0.033325%
LASERS	252,302	0.003210%	-0.000070%
Total	\$7,204,160		

Since the measurement date of the net pension liability was June 30, 2016, the net pension liability is based upon fiduciary net position for each of the plans as of that date. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial reports for fiscal year 2016. The financial report for each plan may be accessed on their website as follows:

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

MERS - <http://www.mersla.com/> FRS - <http://www.lafirefightersret.com/>
 MPERS - <http://lampers.org/> LASERS - <http://www.laseronline.org/>

Actuarial Assumptions

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

	MERS	MPERS	FRS	LASERS
Date of experience study on which significant assumptions are based	7/1/2009 - 6/30/2014	7/1/2009 - 6/30/2014	7/1/2009 - 6/30/2014	2009 - 2013
Expected remaining service lives	3	4	7	3
Inflation Rate	2.875%	2.875%	2.875%	3.0%
Projected salary increases	5.0%	4.25% - 9.75%	4.75% - 15.0%	4.0% - 14.5%
Projected benefit changes including COLAs	None	None	None	None
Source of mortality assumptions	(1), (2), (3)	(3), (4), (5)	(3), (6)	(7), (8)

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

Cost of Living Adjustments

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Discount Rate

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

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>
Discount rate	7.50%	7.50%	7.50%	7.75%
Change in discount rate from prior valuation	-	-	-	-
Plan cash flow assumptions	(1)	(1)	(1)	(1)
Rates incorporated in the Discount Rate:				
Long-term Rate of Return	7.50%	7.50%	7.50%	7.75%
Periods applied	All	All	All	All
Municipal Bond Rate	N/A	N/A	N/A	N/A

*Plan Cash Flow Assumptions:

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

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

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Asset Class	MERS*		MPERS*	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	35%	1.80%	21%	0.49%
Equities	50%	2.60%	53%	3.69%
Alternative Investments	15%	0.80%	20%	1.11%
Other	-		6%	0.21%
Total	<u>100%</u>		<u>100%</u>	

Asset Class	FRS*		LASERS**	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	24%	1.85%	-	-
Domestic Fixed Income	-	-	8%	1.63%
International Fixed Income	-	-	6%	2.47%
Equities	58%	6.77%	-	-
Domestic Equity	-	-	25%	4.31%
International Equity	-	-	32%	5.48%
Global Tactical Asset Allocation	-	-	7%	2.92%
Alternative Investments	8%	6.67%	22%	7.42%
Other	10%	4.30%	-	-
Total	<u>100%</u>		<u>100%</u>	

* Arithmetic real rates of return

**Geometric real rates of return

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2017, the City recognized \$908,714 in pension expense related to all defined benefit plans in which it participates. MERS recognized revenues in the amount of \$50,472 in ad valorem taxes collected from non-employee contributing entities.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 146	\$ 197,514
Change of assumptions	243,953	499
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	118,963	465,952
Net differences between projected and actual earnings on plan investments	1,468,599	-
Contributions subsequent to the measurement date	<u>734,540</u>	<u>-</u>
Total	<u>\$ 2,566,201</u>	<u>\$ 663,965</u>

Deferred outflows of resources of \$734,540 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2018. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended <u>June 30:</u>	
2018	\$ 284,257
2019	278,642
2020	417,364
2021	237,945
2022	(24,801)
2023	<u>(25,711)</u>
	<u>\$1,167,696</u>

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

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	7.50%	\$4,339,980	\$3,414,118	\$2,624,075
MPERS	7.50%	2,972,019	2,229,428	1,605,955
FRS	7.50%	1,782,469	1,308,312	909,554
LASERS	7.75%	309,977	252,302	203,297
Total		<u>\$9,404,445</u>	<u>\$7,204,160</u>	<u>\$5,342,881</u>

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

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2010, the City began to recognize the cost of postemployment healthcare in the year when employee services are received, to report the accumulated liability from prior years, and to provide information useful in assessing potential demands on the City's future cash flows. Because the City is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2010 liability.

Plan Description: In accordance with the City of Ville Platte's Group Health Plan established in May 2005, the City provides certain continuing health care and life insurance benefits for its retired employees. The plan is a single-employer defined benefit health care plan administered by the City. The City has the authority to establish and amend the benefit provisions of the plan. The plan does not issue a publicly available financial report.

Funding Policy: The City contributes 50% of the cost of the current monthly premiums for eligible retired employees. The City recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Annual OPEB Cost: The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The City utilizes the level-dollar amortization method to amortize the unfunded actuarial accrued liability.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution	\$ 90,195
Interest on net OPEB obligation	12,245
Adjustment to annual required contribution	<u>(18,747)</u>
Annual OPEB cost	83,693
Contributions made	<u>(52,623)</u>
Increase in net OPEB obligation	31,070
Net OPEB obligation - beginning of year	306,124
Net OPEB obligation - end of year	<u>\$337,194</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015, 2016, and 2017 follows:

<u>Fiscal Year Ended</u>	<u>Discount Rate</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2015	4.00%	\$ 95,147	45.90%	\$ 264,366
6/30/2016	4.00%	\$ 84,581	50.50%	\$ 306,214
6/30/2017	4.00%	\$ 83,693	62.90%	\$ 337,194

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2017, was as follows:

Actuarial accrued liability	\$ 846,797
Actuarial valuation of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 846,797</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	<u>\$2,673,135</u>
UAAL as a percentage of covered payroll	31.7%

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the City's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The schedule of funding progress included in required supplementary information following the notes to the financial statements presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. GASB Statement No. 45 requires an actuarial valuation at least triennially for plans with total participants of fewer than two hundred.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015 actuarial valuation the unit credit actuarial cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. Investment return of 4.0% per annum, compounded annually.
2. 55% of members are assumed to elect health coverage at retirement. Active employees with life insurance are expected to continue coverage into retirement.
3. For actives it is assumed that husbands are three years older than their wives with 40% of participants electing spouse coverage at retirement.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

4. Retirement Rates

<u>Age</u>	<u>Male</u>	<u>Female</u>
City Employees		
41-59	6.0%	6.0%
60-65	14.0%	14.0%
66+	100.0%	100.0%
Firefighters		
41-50	6.5%	6.5%
51-54	3.5%	3.5%
55-63	12.0%	12.0%
64-65	50.0%	50.0%
66+	100.0%	100.0%
Police		
43-47	25.0%	25.0%
48-49	15.0%	15.0%
50	30.0%	30.0%
51-52	25.0%	25.0%
53	30.0%	30.0%
54	35.0%	35.0%
55	50.0%	50.0%
56	25.0%	25.0%
57-59	20.0%	20.0%
60-61	50.0%	50.0%
62-63	15.0%	15.0%
64-67	50.0%	50.0%
68+	99.0%	99.0%

(15) Enterprise Fund Contracts

The City purchases its natural gas from Louisiana Municipal Natural Gas Purchasing and Distribution Authority, under a contract commencing December 23, 2012. The contract shall continue for successive periods of one year unless terminated by either party upon at least six months prior written notice. The City purchased natural gas during fiscal year ended June 30, 2017 in the amount of \$653,144, of which \$41,627 was owed for purchases for the month of June 2017.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(16) Segment Information for the Enterprise Fund

The City of Ville Platte maintains one enterprise fund with three departments which provide gas, water, and sewerage services. Segment information for the year ended June 30, 2017 was as follows:

	Gas	Water	Sewer	Total
Operating revenues	\$ 1,581,610	\$ 1,374,963	\$ 742,058	\$ 3,698,631
Operating expenses:				
Depreciation	68,903	855,470	255,833	1,180,206
Other	1,615,032	1,079,271	715,534	3,409,837
Total operating expenses	1,683,935	1,934,741	971,367	4,590,043
Operating income (loss)	\$ (102,325)	\$ (559,778)	\$ (229,309)	\$ (891,412)

(17) Compensation of City Officials

A detail of compensation paid to the Board of Aldermen for the year ended June 30, 2017 follows:

C.J. Dardeau	\$ 13,560
Bryant Briggs	14,040
Freddie Jack	14,160
Jerry Joseph	13,560
Donald Sam	13,560
Michael Perron	13,440
	\$ 82,320

(18) Deficits in Individual Funds

The City Court Fund reflected a deficit fund balance in the amount of \$38,893 at June 30, 2017. It is anticipated that the deficit will be funded by excess revenues in subsequent periods.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

A detail of compensation, benefits, and other payments paid to the Mayor, Jennifer Vidrine, for the year ended June 30, 2017 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 70,000
Per diem	1,560
Expense allowance	6,000
Phone allowance	1,500
Benefits - insurance	5,164
Benefits - retirement	17,632
Registration fees	1,355
Conference lodging	5,138
Travel and air fare	2,744
Meals	1,755
	<u>\$ 112,848</u>

(20) Risk Management

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

(21) Interfund Transactions

A. A summary of interfund receivables and payables at June 30, 2017 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ -	\$ 121,039
84 Sales Tax Fund	<u>21,910</u>	<u>-</u>
Total major governmental funds	<u>21,910</u>	<u>121,039</u>
Proprietary funds:		
Enterprise fund	<u>121,039</u>	<u>21,910</u>
Total	<u>\$ 142,949</u>	<u>\$ 142,949</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Transfers consisted of the following at June 30, 2017:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 3,616,227	\$ 218,285
1975 Sales Tax Special Revenue Fund	-	1,423,623
1984 Sales Tax Special Revenue Fund	-	1,924,363
City Court Special Revenue Fund	431,085	-
P.I. Sales Tax Bonds Debt Service Fund	299,363	-
Total major governmental funds	<u>4,346,675</u>	<u>3,566,271</u>
Proprietary fund:		
Enterprise Fund	503,500	1,283,904
Total	<u>\$ 4,850,175</u>	<u>\$ 4,850,175</u>

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

(22) Pending Litigation

At June 30, 2017, the City of Ville Platte was a defendant in several lawsuits. The City's legal counsel has reviewed the claims and lawsuits, in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City not covered by insurance. As a result of the review, there are no claims and lawsuits which might result in a liability to the City which are not considered coverable by insurance or which would have a material adverse effect on the City's financial position.

(23) Donation of Property

In October of 2016, MEDICO, LLC, donated the old nursing home complex located in Ville Platte to the City of Ville Platte. It was determined through independent appraisal, that the fair market value of the property was estimated to be approximately \$810,000.

(24) New Accounting Pronouncements

In June, 2015, the GASB approved Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits other than Pensions". GASB Statement No. 75 replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB Statement No. 75 improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The provisions of GASB Statement No. 75 must be implemented by the City for the year ending June 30, 2018. The effect of implementation of these statements on the City's financial statements has not yet been determined.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF VILLE PLATTE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes	\$ 1,223,420	\$ 1,482,541	\$ 1,496,767	\$ 14,226
Licenses and permits	377,104	328,571	393,340	64,769
Intergovernmental	3,123,381	687,441	700,995	13,554
Miscellaneous	<u>690,747</u>	<u>441,199</u>	<u>416,806</u>	<u>(24,393)</u>
Total revenues	<u>5,414,652</u>	<u>2,939,752</u>	<u>3,007,908</u>	<u>68,156</u>
Expenditures:				
Current -				
General government	1,117,642	1,155,359	1,162,564	(7,205)
Public safety:				
Police	1,957,457	2,437,865	2,658,609	(220,744)
Fire	1,013,157	957,584	1,082,198	(124,614)
Streets and drainage	804,696	816,614	866,070	(49,456)
Culture and recreation	431,051	468,689	480,082	(11,393)
Capital outlay	2,973,667	901,559	872,141	29,418
Debt service	<u>207,000</u>	<u>240,637</u>	<u>216,357</u>	<u>24,280</u>
Total expenditures	<u>8,504,670</u>	<u>6,978,307</u>	<u>7,338,021</u>	<u>(359,714)</u>
Deficiency of revenues over expenditures	<u>(3,090,018)</u>	<u>(4,038,555)</u>	<u>(4,330,113)</u>	<u>(291,558)</u>
Other financing sources (uses):				
Proceeds from capital lease	1,000,000	-	-	-
Transfers in	2,786,738	3,862,672	3,616,227	(246,445)
Transfers out	<u>(237,900)</u>	<u>(261,986)</u>	<u>(218,285)</u>	<u>43,701</u>
Total other financing sources (uses)	<u>3,548,838</u>	<u>3,600,686</u>	<u>3,397,942</u>	<u>(202,744)</u>
Special item - donation of property	<u>-</u>	<u>810,000</u>	<u>810,000</u>	<u>-</u>
Change in fund balance	458,820	372,131	(122,171)	(494,302)
Fund balance, beginning	<u>3,225,066</u>	<u>3,225,066</u>	<u>3,225,066</u>	<u>-</u>
Fund balance, ending	<u>\$ 3,683,886</u>	<u>\$ 3,597,197</u>	<u>\$ 3,102,895</u>	<u>\$ (494,302)</u>

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

Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,385,061	\$ 1,430,348	\$ 1,428,942	\$ (1,406)
Miscellaneous	<u>27</u>	<u>35</u>	<u>38</u>	<u>3</u>
Total revenues	<u>1,385,088</u>	<u>1,430,383</u>	<u>1,428,980</u>	<u>(1,403)</u>
Expenditures:				
Current -				
General government:				
Professional fees	12,452	13,515	11,645	1,870
Sales tax collection fees	<u>5,692</u>	<u>28,800</u>	<u>28,571</u>	<u>229</u>
Total expenditures	<u>18,144</u>	<u>42,315</u>	<u>40,216</u>	<u>2,099</u>
Excess of revenues over expenditures	<u>1,366,944</u>	<u>1,388,068</u>	<u>1,388,764</u>	<u>696</u>
Other financing sources (uses):				
Transfers from (to) other funds -				
General Fund	(1,000,000)	(1,248,322)	(1,252,723)	(4,401)
City Court Fund	(120,900)	(118,100)	(74,400)	43,700
Utility Fund	<u>(81,000)</u>	<u>(47,800)</u>	<u>(96,500)</u>	<u>(48,700)</u>
Total other financing sources (uses)	<u>(1,201,900)</u>	<u>(1,414,222)</u>	<u>(1,423,623)</u>	<u>(9,401)</u>
Change in fund balance	165,044	(26,154)	(34,859)	(8,705)
Fund balance, beginning	<u>41,139</u>	<u>41,139</u>	<u>41,139</u>	<u>-</u>
Fund balance, ending	<u>\$ 206,183</u>	<u>\$ 14,985</u>	<u>\$ 6,280</u>	<u>\$ (8,705)</u>

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

Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 1,385,061	\$ 1,430,348	\$ 1,428,942	\$ (1,406)
Miscellaneous	1,316	862	1,965	1,103
Total revenues	<u>1,386,377</u>	<u>1,431,210</u>	<u>1,430,907</u>	<u>(303)</u>
Expenditures:				
Current -				
General government:				
Professional fees	12,452	13,515	11,215	2,300
Sales tax collection fees	5,692	28,800	28,571	229
Streets and drainage:				
Street repairs and overlay	-	-	121,323	(121,323)
Total expenditures	<u>18,144</u>	<u>42,315</u>	<u>161,109</u>	<u>(118,794)</u>
Excess of revenues over expenditures	<u>1,368,233</u>	<u>1,388,895</u>	<u>1,269,798</u>	<u>(119,097)</u>
Other financing uses:				
Transfers to -				
General Fund	(933,815)	(1,268,400)	(1,230,000)	38,400
Utility Fund	(287,583)	(404,000)	(395,000)	9,000
P. I. Sales Tax Bonds Debt Service	(300,000)	(300,000)	(299,363)	637
Total other financing uses	<u>(1,521,398)</u>	<u>(1,972,400)</u>	<u>(1,924,363)</u>	<u>48,037</u>
Change in fund balance	(153,165)	(583,505)	(654,565)	(71,060)
Fund balance, beginning	<u>1,601,402</u>	<u>1,601,402</u>	<u>1,601,402</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,448,237</u>	<u>\$ 1,017,897</u>	<u>\$ 946,837</u>	<u>\$ (71,060)</u>

CITY OF VILLE PLATTE, LOUISIANA
City Court Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Intergovernmental	\$ 101,898	\$ 91,402	\$ 112,607	\$ 21,205
Fines and forfeits	35,791	43,643	39,462	(4,181)
Salaries from Police Jury	46,903	51,494	50,811	(683)
Miscellaneous	18,666	2,205	19,510	17,305
Total revenues	<u>203,258</u>	<u>188,744</u>	<u>222,390</u>	<u>33,646</u>
Expenditures:				
Current -				
General government	656,231	684,698	699,947	(15,249)
Debt service				
Principal retirement	14,911	14,359	16,963	(2,604)
Interest and fiscal charges	2,643	1,995	1,109	886
Total expenditures	<u>673,785</u>	<u>701,052</u>	<u>718,019</u>	<u>(16,967)</u>
Deficiency of revenues over expenditures	<u>(470,527)</u>	<u>(512,308)</u>	<u>(495,629)</u>	<u>16,679</u>
Other financing sources:				
Transfers from -				
General Fund	237,900	261,986	218,285	(43,701)
Utility Fund	148,800	107,600	138,400	30,800
1975 Sales Tax	120,900	118,100	74,400	(43,700)
Total other financing sources	<u>507,600</u>	<u>487,686</u>	<u>431,085</u>	<u>(56,601)</u>
Change in fund balance	37,073	(24,622)	(64,544)	(39,922)
Fund balance, beginning	<u>25,651</u>	<u>25,651</u>	<u>25,651</u>	-
Fund balance, ending	<u>\$ 62,724</u>	<u>\$ 1,029</u>	<u>\$ (38,893)</u>	<u>\$ (39,922)</u>

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Funding Progress
For the Year Ended June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Discount Rate	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2015	\$ -	4.0%	\$ 846,797	\$ 846,797	0.0%	\$ 2,673,135	31.7%
July 1, 2012	\$ -	4.0%	\$ 889,006	\$ 889,006	0.0%	\$ 1,984,197	44.8%
July 1, 2009	\$ -	4.0%	\$ 733,607	\$ 733,607	0.0%	\$ 2,352,897	31.2%

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2017*

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
MERS					
2015	0.750734%	\$ 1,926,717	\$ 1,227,877	156.9%	73.99%
2016	0.814196%	\$ 2,908,435	\$ 1,394,010	208.6%	66.18%
2017	0.832974%	\$ 3,414,118	\$ 1,488,981	229.3%	62.11%
MPERS					
2015	0.267745%	\$ 1,675,035	\$ 694,651	241.1%	75.10%
2016	0.264622%	\$ 2,073,037	\$ 704,025	294.5%	70.73%
2017	0.237861%	\$ 2,229,428	\$ 664,496	335.5%	66.04%
FRS					
2015	0.227814%	\$ 1,013,754	\$ 462,773	219.1%	76.02%
2016	0.233345%	\$ 1,259,389	\$ 495,022	254.4%	72.45%
2017	0.200020%	\$ 1,308,312	\$ 451,000	290.1%	68.16%
LASERS					
2016	0.003280%	\$ 223,090	\$ 29,363	759.8%	62.66%
2017	0.003210%	\$ 252,302	\$ 58,931	428.1%	57.70%

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

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

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Employer Contributions
For the Year Ended June 30, 2017

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
MERS					
2015	\$ 275,317	\$ 275,317	\$ -	\$ 1,394,010	19.75%
2016	\$ 294,074	\$ 294,074	\$ -	\$ 1,488,981	19.75%
2017	\$ 322,776	\$ 322,776	\$ -	\$ 1,418,797	22.75%
MPERS					
2015	\$ 221,768	\$ 221,768	\$ -	\$ 704,025	31.50%
2016	\$ 196,558	\$ 196,558	\$ -	\$ 664,496	29.58%
2017	\$ 272,105	\$ 272,105	\$ -	\$ 854,697	31.84%
FRS					
2015	\$ 144,794	\$ 144,794	\$ -	\$ 495,022	29.25%
2016	\$ 122,898	\$ 122,898	\$ -	\$ 451,000	27.25%
2017	\$ 118,031	\$ 118,031	\$ -	\$ 467,448	25.25%
LASERS					
2016	\$ 23,160	\$ 23,160	\$ -	\$ 58,931	39.30%
2017	\$ 21,628	\$ 21,628	\$ -	\$ 58,931	36.70%

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to the Required Supplementary Information
For the Year Ended June 30, 2017

(1) Budgets and Budgetary Accounting

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

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

(2) Excess of Expenditures Over Appropriations

The following funds incurred expenditures in excess of appropriations for the year ended June 30, 2017:

General Fund	\$359,714
1984 Sales Tax Special Revenue Fund	\$118,794
City Court Special Revenue Fund	\$ 16,967

(3) Pension Plan

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

OTHER FINANCIAL INFORMATION

CITY OF VILLE PLATTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Taxes:				
Ad valorem	\$ 160,769	\$ 243,225	\$ 240,838	\$ (2,387)
Street and drainage maintenance	226,335	384,300	351,350	(32,950)
Police and fire tax	110,532	154,906	133,826	(21,080)
PILOT - Housing Authority	23,576	36,358	30,358	(6,000)
Franchise - utility companies	452,105	372,514	381,127	8,613
Utility Fund - payment in lieu of taxes	240,453	286,943	353,923	66,980
Chain store	9,650	4,295	5,345	1,050
	<u>1,223,420</u>	<u>1,482,541</u>	<u>1,496,767</u>	<u>14,226</u>
Licenses and permits:				
Occupational licenses	354,322	317,653	381,727	64,074
Building permits	18,626	7,065	8,089	1,024
Electrical permits	4,081	3,828	3,499	(329)
House moving permits	75	25	25	-
	<u>377,104</u>	<u>328,571</u>	<u>393,340</u>	<u>64,769</u>
Intergovernmental:				
State of Louisiana -				
Beer tax	26,000	21,052	20,607	(445)
Evangeline Council on Aging	155,000	159,490	165,198	5,708
State grants	1,686,167	45,130	34,621	(10,509)
Fire insurance rebate	71,477	35,000	39,249	4,249
Highway maintenance	-	8,875	14,950	6,075
Fire salary reimbursement	231,365	230,699	230,938	239
On-behalf payments	175,000	150,000	162,732	12,732
Federal -				
Grants	726,000	-	21,821	21,821
Summer food service program	52,372	37,195	10,879	(26,316)
	<u>3,123,381</u>	<u>687,441</u>	<u>700,995</u>	<u>13,554</u>
Miscellaneous:				
Rental income -				
Gas department	15,000	13,450	15,000	1,550
Park and civic center	37,310	37,460	30,530	(6,930)
Section 8 rent	6,950	7,050	7,800	750
Swamp Pop revenues	14,092	14,347	14,470	123
Interest income	8,111	6,926	7,296	370
Inmate housing	-	-	41,507	41,507
Law enforcement revenue	20,544	16,819	15,488	(1,331)
Local grants	385,000	-	667	667
Insurance claims	-	14,261	17,385	3,124
Archon fees	31,140	57,235	45,517	(11,718)
Donation of property	-	810,000	810,000	-
Ville Platte Boys and Girls Club	-	-	25,595	25,595
Other sources	172,600	273,651	195,551	(78,100)
	<u>690,747</u>	<u>1,251,199</u>	<u>1,226,806</u>	<u>(24,393)</u>
Total revenues	<u>\$ 5,414,652</u>	<u>\$ 3,749,752</u>	<u>\$ 3,817,908</u>	<u>\$ 68,156</u>

CITY OF VILLE PLATTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
General government:				
Executive -				
Mayor salary	\$ 70,000	\$ 80,201	\$ 79,060	\$ 1,141
Council salaries	52,717	84,334	82,320	2,014
Retirement	16,198	20,696	20,361	335
Medicare taxes	6,028	6,451	6,265	186
Payroll taxes	208	175	100	75
Group insurance	23,850	26,264	25,540	724
Dues and conventions	65,000	30,567	25,831	4,736
Miscellaneous	28,367	2,517	2,203	314
Total executive	<u>262,368</u>	<u>251,205</u>	<u>241,680</u>	<u>9,525</u>
Administrative -				
Salaries	297,944	310,832	310,324	508
Contract services	-	4,640	-	4,640
Utilities	27,536	23,542	27,196	(3,654)
Telephone	5,332	5,926	6,180	(254)
Insurance	20,885	57,320	29,665	27,655
Workman's compensation	2,925	2,707	14,574	(11,867)
Advertising and publicity	7,446	10,666	11,798	(1,132)
Group insurance	41,278	47,507	47,162	345
Office expenditures	22,186	35,612	31,594	4,018
Professional fees	64,065	60,190	77,690	(17,500)
Repairs and maintenance	21,219	25,960	29,787	(3,827)
Supplies	-	-	15,161	(15,161)
Gas and oil	960	485	385	100
Evangeline Council on Aging	126,222	154,399	165,198	(10,799)
Dues, conventions and travel	11,788	17,911	24,946	(7,035)
Chamber of Commerce social programs	-	-	3,600	(3,600)
Auto allowances	2,881	2,570	2,760	(190)
Retirement contributions	47,875	47,136	45,194	1,942
Medicare taxes	7,884	9,157	9,794	(637)
Payroll taxes	602	704	606	98
Summer feeding program	54,722	38,152	18,785	19,367
Summer youth employment	26,100	-	-	-
Planning and Zoning Commission	25,000	-	-	-
Miscellaneous	40,424	48,738	48,485	253
Total administrative	<u>855,274</u>	<u>904,154</u>	<u>920,884</u>	<u>(16,730)</u>
Total general government	<u>1,117,642</u>	<u>1,155,359</u>	<u>1,162,564</u>	<u>(7,205)</u>

(continued)

CITY OF VILLE PLATTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Public safety:				
Police department -				
Salaries	1,092,241	1,317,121	1,384,103	(66,982)
Gas and oil	54,380	70,978	76,964	(5,986)
Auto repairs	58,937	75,254	81,216	(5,962)
Equipment and building repairs and maintenance	18,133	41,126	46,817	(5,691)
Feeding prisoners	10,739	5,751	24,846	(19,095)
Supplies	34,785	42,839	77,203	(34,364)
Telephone	6,846	7,502	7,328	174
Insurance	65,046	49,593	119,399	(69,806)
Workman's compensation	100,015	124,145	132,478	(8,333)
Advertising and publicity	455	392	292	100
Uniforms	14,349	19,642	20,270	(628)
Retirement contributions	231,409	279,737	273,802	5,935
Group insurance	105,925	148,188	145,971	2,217
Professional fees	22,014	14,333	11,933	2,400
Dues, conventions and travel	18,509	27,773	21,573	6,200
Officer training program	2,580	5,800	4,800	1,000
Utilities	21,250	19,184	23,009	(3,825)
Medicare taxes	31,346	34,047	33,842	205
Payroll taxes	2,352	2,826	2,756	70
Dare, K-9 and DWI expenditures	2,955	4,517	4,925	(408)
Medical expenditures	38,878	118,583	137,137	(18,554)
Miscellaneous	24,313	28,534	27,945	589
Total police department	<u>1,957,457</u>	<u>2,437,865</u>	<u>2,658,609</u>	<u>(220,744)</u>
Fire department -				
Salaries	591,081	548,395	613,914	(65,519)
Gas and oil	3,354	6,820	7,358	(538)
Equipment and building repairs and maintenance	25,082	27,868	59,382	(31,514)
Supplies	6,383	10,064	6,791	3,273
Telephone	8,225	11,057	12,703	(1,646)
Insurance	19,714	18,037	22,744	(4,707)
Workman's compensation	70,271	61,968	67,863	(5,895)
Uniforms	4,495	4,095	3,395	700
Retirement contributions	114,912	104,302	118,031	(13,729)

(continued)

CITY OF VILLE PLATTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2017

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Fire department (continued) -				
Group insurance	71,025	90,507	89,839	668
Utilities	17,029	14,134	17,289	(3,155)
Medicare taxes	11,559	10,110	9,913	197
School training	200	792	592	200
Payroll taxes	1,277	1,184	1,172	12
Contribution of fire insurance rebate	49,777	35,000	39,249	(4,249)
Professional fees	13,142	10,022	8,322	1,700
Miscellaneous	5,631	3,229	3,641	(412)
Total fire department	<u>1,013,157</u>	<u>957,584</u>	<u>1,082,198</u>	<u>(124,614)</u>
Total public safety	<u>2,970,614</u>	<u>3,395,449</u>	<u>3,740,807</u>	<u>(345,358)</u>
Streets and drainage:				
Salaries	307,246	316,481	306,409	10,072
Gas, oil and fuel	15,980	34,326	41,055	(6,729)
Truck and equipment repairs	36,996	32,102	40,870	(8,768)
Tools and supplies	21,457	43,779	42,744	1,035
Telephone	2,624	2,794	2,745	49
Insurance	27,477	22,816	39,129	(16,313)
Workman's compensation	58,114	56,002	59,869	(3,867)
Retirement contributions	42,604	38,041	36,742	1,299
Group insurance	45,189	38,302	37,382	920
Uniforms	2,738	2,026	2,734	(708)
Medical expense	780	1,512	1,212	300
Utilities - street lights	110,557	119,556	151,547	(31,991)
Medicare taxes	9,487	12,595	12,077	518
Payroll taxes	615	729	614	115
Sand, gravel, cement and dirt	775	2,516	2,471	45
Street improvement, repairs and overlay	60,686	6,204	7,557	(1,353)
Professional fees	15,992	11,950	9,950	2,000
Impounder	9,455	11,194	11,258	(64)
Grass and tree cutting	10,015	37,775	32,375	5,400
Miscellaneous	25,909	25,914	27,330	(1,416)
Total streets and drainage	<u>804,696</u>	<u>816,614</u>	<u>866,070</u>	<u>(49,456)</u>

(continued)

CITY OF VILLE PLATTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Culture and recreation:				
Salaries	165,387	208,156	210,530	(2,374)
Gas, oil and diesel	3,853	2,202	1,802	400
Building and equipment repairs	33,574	36,474	36,863	(389)
Tools and supplies	19,999	26,242	25,703	539
Telephone	7,769	7,917	8,275	(358)
Insurance	16,145	23,487	23,370	117
Workman's compensation	13,616	15,955	17,666	(1,711)
Retirement contributions	29,411	28,048	27,628	420
Group insurance	14,607	20,847	20,240	607
Uniforms	1,186	1,476	1,728	(252)
Utilities	48,512	23,255	30,831	(7,576)
Medicare taxes	5,692	8,164	8,405	(241)
Payroll taxes	409	447	421	26
Professional fees	12,848	14,729	14,429	300
Swamp Pop	7,483	3,565	3,586	(21)
Boys and Girls Club	30,000	31,992	33,613	(1,621)
Miscellaneous	<u>20,560</u>	<u>15,733</u>	<u>14,992</u>	<u>741</u>
Total culture and recreation	<u>431,051</u>	<u>468,689</u>	<u>480,082</u>	<u>(11,393)</u>

(continued)

CITY OF VILLE PLATTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Capital outlay:				
Administrative -				
Building	-	810,000	810,000	-
Telephone system	3,500	-	-	-
Improvements - City Hall	150,000	-	-	-
Public Safety -				
Police:				
Vehicles	35,000	19,789	28,742	(8,953)
Telephone system	3,500	-	-	-
Equipment	-	31,513	-	31,513
Fire:				
Equipment	215,000	-	-	-
Improvements - Fire Stations	200,000	-	-	-
Telephone system	3,500	-	-	-
Streets and drainage -				
Telephone system	3,500	-	-	-
Equipment	20,000	13,199	13,199	-
Vehicles	10,000	-	-	-
Sidewalk improvements	220,000	-	-	-
Culture and recreation -				
Telephone system	3,500	-	-	-
Equipment	-	11,666	-	11,666
Equipment - Hargrove Park	60,000	-	-	-
Equipment - Northside Park	60,000	-	-	-
Northside Park improvements	195,167	11,417	20,200	(8,783)
Hope Park improvements	100,000	-	-	-
Hope Park land purchase	25,000	-	-	-
Hargrove Park improvements	66,000	3,975	-	3,975
Recreational complex	1,600,000	-	-	-
Total capital outlay	<u>2,973,667</u>	<u>901,559</u>	<u>872,141</u>	<u>29,418</u>
Debt Service:				
Principal	182,000	215,637	202,906	12,731
Interest	<u>25,000</u>	<u>25,000</u>	<u>13,451</u>	<u>11,549</u>
Total debt service	<u>207,000</u>	<u>240,637</u>	<u>216,357</u>	<u>24,280</u>
Total expenditures	<u>\$8,504,670</u>	<u>\$6,978,307</u>	<u>\$7,338,021</u>	<u>\$ (359,714)</u>

CITY OF VILLE PLATTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Other Financing Sources (Uses)
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Proceeds from capital lease	\$ 1,000,000	\$ -	\$ -	-
Transfers from (to) other funds -				
Utility Fund	852,923	1,345,950	1,133,504	(212,446)
1975 Sales Tax Fund	1,000,000	1,248,322	1,252,723	4,401
1984 Sales Tax Fund	933,815	1,268,400	1,230,000	(38,400)
City Court	<u>(237,900)</u>	<u>(261,986)</u>	<u>(218,285)</u>	<u>43,701</u>
Total other financing sources (uses)	<u>\$ 3,548,838</u>	<u>\$ 3,600,686</u>	<u>\$ 3,397,942</u>	<u>\$ (202,744)</u>

CITY OF VILLE PLATTE, LOUISIANA
Enterprise Fund
Utility Fund

Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2017

Operating revenues:	
Charges for services -	
Customer service charges	\$ 3,493,841
Connection and inspection fees	56,262
Miscellaneous	<u>148,528</u>
Total operating revenues	<u>3,698,631</u>
Operating expenses:	
Gas department expenses	1,683,935
Water department expenses	1,934,741
Sewerage department expenses	<u>971,367</u>
Total operating expenses	<u>4,590,043</u>
Operating income (loss)	<u>(891,412)</u>
Nonoperating revenues (expenses):	
Nonemployer pension contribution	15,468
Interest income	5,602
Ad valorem taxes	526,406
Interest expense	(78,069)
Paying agents' fees	<u>(47,322)</u>
Total nonoperating revenues (expenses)	<u>422,085</u>
Loss before transfers	<u>(469,327)</u>
Transfers in (out):	
Transfers in	503,500
Transfers out	<u>(1,283,904)</u>
Total transfers in (out)	<u>(780,404)</u>
Change in net position	(1,249,731)
Net position, beginning	<u>12,148,458</u>
Net position, ending	<u>\$ 10,898,727</u>

<u>Gas</u> <u>Department</u>	<u>Water</u> <u>Department</u>	<u>Sewer</u> <u>Department</u>
\$ 1,510,787	\$ 1,276,691	\$ 706,363
15,200	28,612	12,450
<u>55,623</u>	<u>69,660</u>	<u>23,245</u>
<u>1,581,610</u>	<u>1,374,963</u>	<u>742,058</u>
1,683,935	-	-
-	1,934,741	-
<u>-</u>	<u>-</u>	<u>971,367</u>
<u>1,683,935</u>	<u>1,934,741</u>	<u>971,367</u>
<u>\$ (102,325)</u>	<u>\$ (559,778)</u>	<u>\$ (229,309)</u>

CITY OF VILLE PLATTE, LOUISIANA
Enterprise Fund
Utility Fund

Departmental Analysis of Operating Expenses
For the Year Ended June 30, 2017

	Gas	Water	Sewer	Totals
Salaries	\$ 297,581	\$ 215,233	\$ 186,221	\$ 699,035
Retirement contributions	87,841	66,664	33,352	187,857
Payroll and Medicare taxes	8,130	4,957	8,807	21,894
Group insurance	40,992	37,547	24,983	103,522
Uniforms	1,525	1,633	4,198	7,356
Insurance	75,056	26,138	26,587	127,781
Workman's compensation insurance	11,943	21,508	21,602	55,053
General Fund - payment in lieu of taxes	152,201	130,371	71,351	353,923
Natural gas purchased	653,144	-	-	653,144
Dues and conventions	6,466	9,057	3,684	19,207
Equipment repairs and maintenance	72,459	137,255	62,989	272,703
Materials and supplies	46,821	72,419	47,605	166,845
Chemicals	-	28,000	15,522	43,522
Testing and inspection fees	-	16,502	23,218	39,720
Professional fees	26,428	21,740	22,035	70,203
Utilities and telephone	28,161	217,231	130,186	375,578
Rent	15,000	-	-	15,000
Gas, oil and fuel	4,616	7,571	2,640	14,827
Office supplies	21,503	14,182	13,203	48,888
Depreciation	68,903	855,470	255,833	1,180,206
Miscellaneous	37,353	26,888	1,922	66,163
Sand, gravel and dirt	-	812	2,424	3,236
Bad debt expense	27,812	23,563	13,005	64,380
Total operating expenses	<u>\$ 1,683,935</u>	<u>\$ 1,934,741</u>	<u>\$ 971,367</u>	<u>\$ 4,590,043</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF VILLE PLATTE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2017

Records maintained by the City indicated the following number of customers were being served during the month of June, 2017:

<u>Department</u>	
Gas (metered)	1,624
Water (metered)	2,791
Sewerage	2,678

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
June 30, 2017

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

**INTERNAL CONTROL, COMPLIANCE
AND OTHER MATTERS**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

C. Burton Kolder, CPA*
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Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Ville Platte (City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 28, 2017.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and corrective action plan, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as items 2017-002 and 2017-003 to be material weaknesses.

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. We consider deficiencies 2017-001, 2017-004, and 2017-005 described in the accompanying summary schedule of current and prior year audit findings and corrective action plan to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Ville Platte's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as items 2017-006 and 2017-007.

City of Ville Platte's Response to Findings

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

Purpose of this Report

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

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 28, 2017

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Ville Platte's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2017. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the City of Ville Platte is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 28, 2017

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Name	Pass-through Identifying Number	CFDA Number	Expenditures
United States Department of Housing and Urban Development Section 8 Housing Choice Vouchers	-	14.871	\$ 606,349
Environmental Protection Agency Passed through the Louisiana Department of Health and Hospitals - AARA - Capitalization Grants for Drinking Water State Revolving Funds	-	66.468	1,181,708
Department of Homeland Security Passed through Homeland Security and Emergency Preparedness - Disaster Grants - Public Assistance	-	97.036	4,828
United States Department of Agriculture Community Facilities Loans and Grants	-	10.766	16,993
Passed through Louisiana Department of Education - Summer Food Service Program for Children	-	10.559	<u>18,785</u>
Total			<u>\$ 1,828,663</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of Ville Platte under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Ville Platte, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Ville Platte.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City of Ville Platte has not elected to use the 10 percent *de minimus* indirect cost rate as allowed under the Uniform Guidance.

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Ville Platte were prepared in accordance with GAAP.
2. Two material weaknesses and three significant deficiencies in internal control were disclosed by the audit of the basic financial statements.
3. Two instances of noncompliance material to the financial statements which would be required to be reported in accordance with *Government Auditing Standards* were disclosed.
4. No significant deficiencies in internal control over major federal award programs were disclosed by the audit of the basic financial statements.
5. The auditors' report on compliance for the major federal award programs expresses an unmodified opinion on all major federal programs.
6. The audit disclosed no findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The major programs were the U.S. Department of Housing and Urban Development's Section 8 Housing Choice Vouchers Program, CFDA #14.871 and the Environmental Protection Agency's Capitalization Grants for Drinking Water State Revolving Funds, CFDA #66.468.
8. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
9. The City of Ville Platte did not qualify as a low-risk auditee.

Part II. Findings – Financial Audit

A. **Internal Control Findings –**

See internal control findings 2017-001 through 2017-005 in the Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

B. **Compliance Findings –**

See compliance findings 2017-006 through 2017-007 in the Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

(continued)

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2017

Part III. Findings and questioned costs – Major Federal Award Programs Audit

There are no findings that are required to be reported under the above guidance.

CITY OF VILLE PLATTE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
For the Year Ended June 30, 2017

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
CURRENT YEAR (6/30/2017) --						
<u>Internal Control:</u>						
2017-001	Unknown	The City does not have adequate segregation of accounting functions in the area of collecting and recording revenues.	N/A	Due to the small number of employees, a complete segregation of duties is not feasible.	Jennifer Vidrine, Mayor	N/A
2017-002	2007	The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	N/A	The City has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Jennifer Vidrine, Mayor	N/A
2017-003	2009	The Utility Department Supervisor does not reconcile the utility aged receivable report to the general ledger accounts receivable balance.	No	The Utility Supervisor will reconcile the aged receivable report to the general ledger accounts receivable balance on a weekly basis.	Jennifer Vidrine, Mayor	Immediately
2017-004	2010	The detailed listing of customer meter deposits is not reconciled to the customer meter deposit liability general ledger accounts on a monthly basis.	No	The Utility Supervisor will reconcile the customer meter deposits listing to the meter deposit liability accounts on a monthly basis.	Jennifer Vidrine, Mayor	Immediately
2017-005	2017	The police department ticket log was not maintained properly for all tickets.	No	The police department will properly record all tickets in the log and account for all skipped tickets.	Jennifer Vidrine, Mayor	Immediately

(continued)

CITY OF VILLE PLATTE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
For the Year Ended June 30, 2017

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<u>CURRENT YEAR (6/30/2017) --</u>						
<u>Compliance:</u>						
2017-006	2017	The City did not comply with the requirements of the R.S. 39:1307, the Local Government Budget Act. Notification of the public hearing for the 2017 budget was not published in the official journal.	No	The City complied with the requirements R.S. 39:1307, the Local Government Budget Act, for the 2018 budget.	Jennifer Vidrine, Mayor	2018 budget
2017-007	2016	The City did not comply with the requirements of RS 39:1311, the Local Government Budget Act. Actual expenditures exceeded budgeted expenditures by five percent or more in the General Fund and 1984 Sales Tax Special Revenue Fund.	No	The City will comply with all requirements of LRS 39:1311, the Local Government Budget Act.	Jennifer Vidrine, Mayor	Immediately

(continued)

CITY OF VILLE PLATTE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
For the Year Ended June 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>PRIOR YEAR (6/30/2016) --</u>						
<u>Internal Control:</u>						
2016-001	Unknown	The City does not have adequate segregation of accounting functions in the area of collecting and recording revenues.	N/A	Due to the small number of employees, a complete segregation of duties is not feasible.	Jennifer Vidrine, Mayor	N/A
2016-002	2007	The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	N/A	The City has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Jennifer Vidrine, Mayor	N/A
2016-003	2009	The Utility Department Supervisor does not reconcile the utility aged receivable report to the general ledger accounts receivable balance.	No	The Utility Supervisor will reconcile the aged receivable report to the general ledger accounts receivable balance on a weekly basis.	Jennifer Vidrine, Mayor	Immediately
2016-004	2010	The detailed listing of customer meter deposits is not reconciled to the customer meter deposit liability general ledger accounts on a monthly basis.	No	The Utility Supervisor will reconcile the customer meter deposits listing to the meter deposit liability accounts on a monthly basis.	Jennifer Vidrine, Mayor	Immediately
2016-005	2016	The City did not remit sales tax collected on commercial utility accounts and did not collect the correct amount of sales tax for the months of April through June 2016.	Yes		Jennifer Vidrine, Mayor	

(continued)

CITY OF VILLE PLATTE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
For the Year Ended June 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>PRIOR YEAR (6/30/2016) --</u>						
<u>Compliance:</u>						
2016-006	2010	Due to the amount of delinquent utility accounts remaining active, which included several employees' accounts, it appears the City is not following the requirements of the utility revenue bond indenture.	Yes		Jennifer Vidrine, Mayor	
2016-007	2016	The City did not obtain approval from the State Bond Commission for an installment purchase agreement in excess of ninety days financing the purchase of a movable. The agreement did not include a "nonappropriation" clause.	Yes		Jennifer Vidrine, Mayor	
2016-008	2016	The City did not make the sinking fund payments required for the \$4,050,000, Series 2010 Utility Revenue Bonds on a monthly basis. This is a violation of the bond ordinance.	Yes		Jennifer Vidrine, Mayor	
2016-009	2016	The City did not comply with the requirements of RS 39:1311, the Local Government Budget Act. Actual expenditures exceeded budgeted expenditures by five percent or more in the 1984 Sales Tax Special Revenue Fund.	No	The City will comply with all requirements of LRS 39:1311, the Local Government Budget Act.	Jennifer Vidrine, Mayor	Immediately
2016-010		See internal control finding 2016-005.				

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

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURE

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

We have performed the procedure described in the second paragraph of this report, which was agreed to by the City of Ville Platte, Louisiana and the U.S. Department of Housing and Urban Development, Public Indian Housing-Real Estate Assessment Center (PIH-REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the OMB Uniform Guidance reporting package. The City of Ville Platte, Louisiana is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

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

We were engaged to perform an audit in accordance with *Government Auditing Standards* by the City of Ville Platte, Louisiana as of and for the year ended June 30, 2017, and have issued our reports thereon dated December 28, 2017. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the supplementary information dated December 28, 2017, was expressed in relation to the basic financial statements of the City of Ville Platte, Louisiana taken as a whole.

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

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

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 28, 2017

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

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

CITY OF VILLE PLATTE

Financial Data Schedule - Balance Sheet

Section 8 Housing Program

June 30, 2017

Line Item #	Account Description	14.871 Housing Choice Vouchers	97.109 Housing Assistance Grant	Total
111	Cash - unrestricted	\$ -	\$ -	\$ -
113	Cash - restricted	<u>38,613</u>	<u>206,226</u>	<u>244,839</u>
100	Total cash	<u>38,613</u>	<u>206,226</u>	<u>244,839</u>
150	Total current assets	<u>38,613</u>	<u>206,226</u>	<u>244,839</u>
164	Furniture, equipment & machinery - administration	5,926	-	5,926
166	Accumulated depreciation	<u>(5,926)</u>	<u>-</u>	<u>(5,926)</u>
160	Total capital assets, net of accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>
200	Deferred outflows of resources	<u>60,052</u>	<u>-</u>	<u>60,052</u>
190	Total assets and deferred outflows of resources	<u>\$ 98,665</u>	<u>\$ 206,226</u>	<u>\$ 304,891</u>
311	Bank overdraft	<u>132,258</u>	<u>-</u>	<u>132,258</u>
310	Total current liabilities	<u>132,258</u>	<u>-</u>	<u>132,258</u>
357	Accrued pension liability	<u>155,677</u>	<u>-</u>	<u>155,677</u>
350	Total non-current liabilities	<u>155,677</u>	<u>-</u>	<u>155,677</u>
300	Total liabilities	<u>287,935</u>	<u>-</u>	<u>287,935</u>
400	Deferred inflows or resources	<u>5,289</u>	<u>-</u>	<u>5,289</u>
511.4	Restricted net position	38,613	-	38,613
512.4	Unrestricted net position	<u>(233,172)</u>	<u>206,226</u>	<u>(26,946)</u>
513	Total equity - net position	<u>(194,559)</u>	<u>206,226</u>	<u>11,667</u>
600	Total liabilities, deferred inflows of resources and equity	<u>\$ 98,665</u>	<u>\$ 206,226</u>	<u>\$ 304,891</u>

CITY OF VILLE PLATTE

Financial Data Schedule - Income Statement

Section 8 Housing Program

For the Year Ended June 30, 2017

Line Item #	Account Description	14.871 Housing Choice Vouchers	94.IKE Housing Assistance Grant	Total
70600	HUD PHA operating grants	\$ 606,349	\$ -	\$ 606,349
71100	Investment income -unrestricted	136	-	136
71500	Other revenue	30,873	-	30,873
70000	Total revenue	<u>637,358</u>	<u>-</u>	<u>637,358</u>
91100	Administrative salaries	59,484	-	59,484
91200	Auditing fees	1,100	-	1,100
91500	Employee benefit contributions- administrative	26,416	-	26,416
91600	Office Expenses	10,705	-	10,705
91800	Travel	7,812	-	7,812
91900	Other	9,105	-	9,105
91000	Total Operating - Administrative	<u>114,622</u>	<u>-</u>	<u>114,622</u>
96130	Workmen's compensation	334	-	334
96100	Total insurance premiums	334	-	334
96900	Total operating expenses	<u>114,956</u>	<u>-</u>	<u>114,956</u>
97000	Excess of operating revenue over operating expenses	<u>522,402</u>	<u>-</u>	<u>522,402</u>
97300	Housing assistance payments	530,141	-	530,141
97350	HAP Portability-in	21,845	-	21,845
90000	Total expenses	<u>666,942</u>	<u>-</u>	<u>666,942</u>
10000	Excess of total revenue over total expenses	<u>(29,584)</u>	<u>-</u>	<u>(29,584)</u>
11030	Beginning equity	(164,975)	206,226	41,251
11170	Administrative Fee Equity	(233,172)	-	(233,172)
11180	Housing Assistance Payments Equity	38,613	-	38,613
11190	Unit Months Available	1,824	-	1,824
11210	Unit Months Leased	1,547	-	1,547

**CITY OF VILLE PLATTE
Ville Platte, Louisiana**

**Statewide Agreed-Upon Procedures Report
Year Ended June 30, 2017**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

Retired

Conrad O. Chapman, CPA* 2006

We have performed the procedures enumerated below, which were agreed to by the City of Ville Platte and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

No written policies and procedures were noted.

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.

No written policies and procedures were noted.

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

No written policies and procedures were noted.

d) **Receipts**, including receiving, recording, and preparing deposits.

No written policies and procedures were noted.

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

No written policies and procedures were noted.

- 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.

No written policies and procedures were noted.

- 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, and (5) monitoring card usage.

No written policies and procedures were noted.

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

No written policies and procedures were noted.

- 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.

No written policies and procedures were noted.

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

No written policies and procedures were noted.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

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

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes did not include monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

No budget-to-actual comparisons were noted.

Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.)

Obtained and reviewed the minutes of the managing board for the fiscal period noting that there were approvals of contracts/disbursements in at least one meeting during the fiscal period.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Obtained listing of client bank accounts from management and management's representation that listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

One of the bank accounts testing had only the first five months bank reconciliations prepared.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Obtained bank statements and reconciliations for all months in the fiscal period noting there was no evidence of management review.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

No documentation was present indicating management research reconciling items that have been outstanding for more than six months.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Obtained listing of cash collection locations and management's representation that listing is complete

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

The persons responsible for collecting cash were not bonded.

In 1 of the locations, the person responsible for collecting cash records the deposit.

In 2 of the locations, the person responsible for collecting cash shares a drawer with another person.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

There is no formal process to reconcile cash collections to the general ledger by revenue source, by a person who is not responsible for cash collections.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Some deposits were not made within one day of collection.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

No exceptions noted.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

In all locations, there is no process specifically defined to determine the completeness of all collections by a person who is not responsible for collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Listing of disbursements and management's representation that the listing is complete was obtained.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Nine exceptions were noted.

b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Nine exceptions were noted.

c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Sixteen invoices did not indicate approval and one purchase order was dated after the invoice date.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The person responsible for processing payments is not prohibited from adding vendors to the purchasing system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

No exceptions noted.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

The supply of unused checks is not in a locked location.

If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

No signature stamp or signature machine utilized.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

Listing of active credit cards, bank debit cards, fuel cards and name of person who maintain possession of cards and management's representation that the listing is complete was obtained.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Listing was obtained and randomly selected at least one-third of the cards.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

Documentation for one credit card was missing two months statements.

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

One credit card did not have supporting documents approved in writing.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

No late fees were assessed.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

Monthly statements were obtained and address the functions noted above.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Documentation of business/public purpose was not indicated on eleven invoices.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Monthly statements were obtained and address the functions noted above.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exceptions were noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Listing of travel and expense reimbursements by person and management's representation that the listing is complete was obtained.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Policies were obtained. No amounts listed exceed GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Expenses did not exceed GSA rates.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

No exceptions noted.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

No exceptions noted.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

No exceptions noted.

- c) Compare the entity’s documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management’s representation that the listing or general ledger is complete.

Contracts were not on file.

- 21. Using the listing above, select the five contract “vendors” that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Contracts were not file.

- b) Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

Contracts were not on file.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Contracts were not on file.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Contracts were not on file.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

Contracts were not on file.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Contracts were not on file.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Listing of employees with their related salaries and management's representation that the listing is complete was obtained.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

No exceptions noted.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions noted.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Leave was not approved on three leave application forms.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exceptions noted.

- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No exceptions noted.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No exceptions noted.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Documentation of ethics training was not available on two employees.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Management asserted that they have received no allegations during the fiscal period.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

No debt was issued during the fiscal period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

All scheduled debt service payments were made and debt reserves were maintained as required by debt covenants.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

No exceptions noted.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management has asserted that the entity did not have any misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Required notices were posted on the entity's premises and website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions noted.

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

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

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
November 28, 2017