

TOWN OF PLAIN DEALING, LOUISIANA

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2017**

**Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana**

TOWN OF PLAIN DEALING

December 31, 2017

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TOWN OF PLAIN DEALING

December 31, 2017

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INDEPENDENT AUDITOR'S REPORT



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Plain Dealing, Louisiana, as of and for the year ended December 31, 2017, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Plain Dealing, Louisiana, as of December 31, 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer pension contributions be presented to supplement the basic financial statements. Such information is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an liability, and schedule of employer pension contributions be presented to supplement the basic financial 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 methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation paid to members of the board of aldermen and compensation, benefits, and other payments to agency head or chief executive officer are presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the responsibility of management and was derived from and related directly to the underlying accounting and other records to prepare the 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 financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my reported dated June 26, 2018 on my consideration of Town of Plain Dealing's internal control over functional reporting and on my 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 my 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 Town of Plain Dealing's internal control over financial reporting or on compliance.

Marsha D. Milhean

Certified Public Accountant
June 26, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF PLAIN DEALING, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

The Management's Discussion and Analysis of the Town of Plain Dealing's financial performance presents a narrative overview and analysis of the Town of Plain Dealing's financial activities for the year ended December 31, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Town of Plain Dealing's financial statements.

FINANCIAL HIGHLIGHTS

Governmental Activities

- 1) The Town of Plain Dealing had cash and investments of \$1,833,012 at December 31, 2017, which represents a decrease of \$37,920 from prior year end.
- 2) The Town of Plain Dealing had accounts receivable of \$24,082 at December 31, 2017 which represents a decrease of \$13,523 from prior year end.
- 3) The Town of Plain Dealing had accounts payable and accruals of \$112,982 at December 31, 2017 which represents a decrease of \$31,897 from prior year end.
- 4) The Town of Plain Dealing had total revenues of \$1,208,440 for the year ended December 31, 2017 which represents an increase of \$271,414 from prior year end.
- 5) The Town of Plain Dealing had total expenses of \$890,323 for the year ended December 31, 2017 which represents a decrease of \$249,790 from prior year end.
- 6) The Town of Plain Dealing had capital asset purchases of \$0 for the year ended December 31, 2017 which represents a decrease of \$31,018 from prior year.

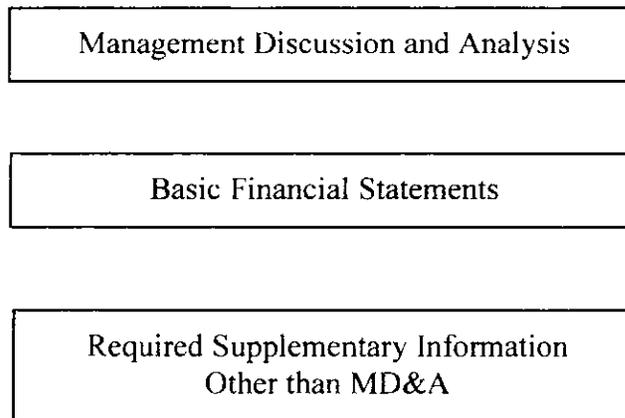
Business-Type Activities

- 1) The Town of Plain Dealing had cash and investments of \$624,220 for the year ended December 31, 2017 which represents a decrease of \$1,083 from prior year.
- 2) The Town of Plain Dealing had accounts receivable of \$77,351 for the year ended December 31, 2017 which represents an increase of \$8,954 from prior year.
- 3) The Town of Plain Dealing had accounts payable and accruals of \$45,511 for the year ended December 31, 2017 which represents a decrease of \$7,803 from prior year.
- 4) The Town of Plain Dealing had total revenues of \$505,505 for the year ended December 31, 2017 which represents an increase of \$7,595 from prior year.
- 5) The Town of Plain Dealing had total expenses of \$663,965 for the year ended December 31, 2017 which represents an increase of \$13,851 from prior year.
- 6) The Town of Plain Dealing received through capital projects and purchases capital assets of \$61,929 for the year ended December 31, 2017 which represents a decrease of \$175,785 from prior year.

TOWN OF PLAIN DEALING, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2017

OVERVIEW OF THE FINANCIAL STATEMENTS

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



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

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

Reporting the Town as a Whole

The Statement of Net Position and the Statement of Activities

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

TOWN OF PLAIN DEALING, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2017

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

Governmental Activities

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

Business-Type Activities

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

Reporting the Town's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

TOWN OF PLAIN DEALING, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2017

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position
As of Year End

	Governmental Activities		Business-Type Activities	
	2017	2016	2017	2016
Current and other assets	\$ 2,335,334	\$ 2,047,815	\$ 736,290	\$ 731,644
Capital assets, net	<u>1,271,308</u>	<u>1,365,478</u>	<u>2,547,186</u>	<u>2,648,624</u>
Total Assets	<u>3,606,642</u>	<u>3,413,293</u>	<u>3,283,476</u>	<u>3,380,268</u>
Deferred outflows of resources	<u>22,990</u>	<u>70,433</u>	<u>0</u>	<u>0</u>
Other liabilities	115,171	145,464	65,530	62,043
Long-term liabilities	<u>133,113</u>	<u>147,144</u>	<u>72,225</u>	<u>70,105</u>
Total Liabilities	<u>248,284</u>	<u>292,608</u>	<u>137,755</u>	<u>132,148</u>
Deferred inflows of resources	<u>6,860</u>	<u>7,740</u>	<u>0</u>	<u>0</u>
Net position				
Net investment in capital assets	1,271,308	1,365,478	2,547,186	2,648,624
Restricted	2,170,296	1,790,473	78,008	77,482
Unrestricted	<u>(67,116)</u>	<u>27,427</u>	<u>520,527</u>	<u>522,014</u>
Total Net Position	<u>\$ 3,374,488</u>	<u>\$ 3,183,378</u>	<u>\$ 3,145,721</u>	<u>\$ 3,248,120</u>

Net Position of the Town's Governmental Activities increased by \$191,110.

Net Position of the Town's Business-Type Activities decreased by \$102,399 due to operations (See table below).

Statement of Activities
For the Year Ended

	Governmental Activities		Business-Type Activities	
	2017	2016	2017	2016
General government				
Expenses	\$ (1,017,024)	\$ (1,240,157)	\$ (663,965)	\$ (650,114)
Interest Expense	0	0	0	0
Program revenues				
Charges for services	134,306	136,481	505,005	497,910
Operating and capital grants and contributions	<u>0</u>	<u>0</u>	<u>50,800</u>	<u>246,467</u>
Subtotal	(882,718)	(1,103,676)	(108,160)	94,263
General revenues and transfers	<u>1,073,828</u>	<u>817,806</u>	<u>5,761</u>	<u>(7,776)</u>
Change in net position from operations	<u>\$ 191,110</u>	<u>\$ (285,870)</u>	<u>\$ (102,399)</u>	<u>\$ 86,487</u>

The Town of Plain Dealing's total revenues and transfers increased by \$253,847 from the previous fiscal year in the Governmental Activities and decreased by \$175,035 in the Business-Type Activities. The total cost of all programs and services decreased \$223,133 in Governmental Activities and increased \$13,851 in Business-Type Activities from the previous fiscal year.

TOWN OF PLAIN DEALING, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2017

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the Town of Plain Dealing had \$1,271,308 and \$2,547,186 net of depreciation, in Governmental Activities and Business-Type Activities, respectively, invested in a broad range of capital assets (See table below). This amount represents a net decrease of \$94,170 in Governmental Activities and a net decrease of \$101,438 Business-Type Activities from the previous year.

	Capital Assets at Year End (Net of Depreciation)			
	Governmental Activities		Business-Type Activities	
	2017	2016	2017	2016
Land and Right-of-ways	\$ 488,281	\$ 488,281	\$ 20,079	\$ 20,079
Buildings and other improvements	642,716	686,728	16,135	16,135
Sewer Plant/Water Distribution System	0	0	2,507,401	2,607,819
Equipment, Furniture, and Fixtures	140,311	190,469	3,571	4,591
Total	\$ <u>1,271,308</u>	\$ <u>1,365,478</u>	\$ <u>2,547,186</u>	\$ <u>2,648,624</u>

The following is the addition and retirements for the Town of Plain Dealing as of December 31, 2017:

This year's major additions included:

	Governmental Activities	Business-Type Activities
Buildings and other improvements	\$ 0	\$ 0
Equipment, Furniture, and Fixtures	0	0
Sewer Plant / Water Distribution System	0	61,929
Total	\$ <u>0</u>	\$ <u>61,929</u>

This year's major retirements included:

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

Debt

The Town of Plain Dealing had no long-term liabilities payable for Governmental Activities and Business-Type Activities for the years ended December 31, 2017 and 2016.

New debt during the year included:

None.

TOWN OF PLAIN DEALING, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2017

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$9,513 less than budgeted amounts due to intergovernmental revenues being smaller than expected.

Actual expenditures were \$436,327 less than budgeted amounts due to capital outlay projects not completed in 2017 as anticipated.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

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

CONTACTING THE TOWN OF PLAIN DEALING'S MANAGEMENT

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

FINANCIAL STATEMENTS

TOWN OF PLAIN DEALING, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2017

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets			
Cash	\$ 304,525	\$ 546,212	\$ 850,737
Investments	1,471,271	0	1,471,271
Accounts receivable	24,082	77,351	101,433
Due from other funds	18,723	1,619	20,342
Restricted assets-cash	28,040	47,008	75,048
Restricted assets-certificates of deposit	29,176	31,000	60,176
Capital Projects in Progress	375,215	0	375,215
Prepaid expenses	78,208	33,100	111,308
Deposits	6,094	0	6,094
Capital assets, net	<u>1,271,308</u>	<u>2,547,186</u>	<u>3,818,494</u>
Total Assets	<u>3,606,642</u>	<u>3,283,476</u>	<u>6,890,118</u>
Deferred outflows of resources	<u>22,990</u>	<u>0</u>	<u>22,990</u>
Total Assets and Deferred Outflows of Resources	<u>3,629,632</u>	<u>3,283,476</u>	<u>6,913,108</u>
LIABILITIES			
Current Liabilities			
Accounts payable	112,982	45,511	158,493
Deferred revenue	1,865	0	1,865
Due to other funds	324	20,019	20,343
Customer deposits	<u>0</u>	<u>72,225</u>	<u>72,225</u>
Total Current Liabilities	<u>115,171</u>	<u>137,755</u>	<u>252,926</u>
Noncurrent Liabilities			
Net pension liability	<u>133,113</u>	<u>0</u>	<u>133,113</u>
Total Noncurrent Liabilities	<u>133,113</u>	<u>0</u>	<u>133,113</u>
Deferred inflows of resources	<u>6,860</u>	<u>0</u>	<u>6,860</u>
Total Liabilities and Deferred Inflows of Resources	<u>255,144</u>	<u>137,755</u>	<u>392,899</u>
NET POSITION			
Net investment in capital assets	1,271,308	2,547,186	3,818,494
Restricted	2,170,296	78,008	2,248,304
Unrestricted	<u>(67,116)</u>	<u>520,527</u>	<u>453,411</u>
Total Net Position	<u>\$ 3,374,488</u>	<u>\$ 3,145,721</u>	<u>\$ 6,520,209</u>

The accompanying notes are an integral part of this statement.

TOWN OF PLAIN DEALING, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary Government							
Governmental Activities							
General government	\$ 374,829	\$ 134,306	\$ 0	\$ 0	\$ (240,523)	\$ 0	\$ (240,523)
Public safety	403,992	0	0	0	(403,992)	0	(403,992)
Street and sanitation	144,034	0	0	0	(144,034)	0	(144,034)
Capital projects	0	0	0	0	0	0	0
Contributions to other government agencies	0	0	0	0	0	0	0
Depreciation	94,169	0	0	0	(94,169)	0	(94,169)
Total Governmental Activities	<u>1,017,024</u>	<u>134,306</u>	<u>0</u>	<u>0</u>	<u>(882,718)</u>	<u>0</u>	<u>(882,718)</u>
Business-Type Activities							
Utility funds	657,363	503,705	0	50,800	0	(102,858)	(102,858)
Cemetery fund	6,602	1,300	0	0	0	(5,302)	(5,302)
Interest expense	0	0	0	0	0	0	0
Total Primary Government	<u>\$ 1,680,989</u>	<u>\$ 639,311</u>	<u>\$ 0</u>	<u>\$ 50,800</u>	<u>(882,718)</u>	<u>(108,160)</u>	<u>(990,878)</u>
General Revenues							
Property taxes					32,627	0	32,627
Franchise taxes					21,832	0	21,832
Sales taxes					372,749	0	372,749
Other taxes					37,365	0	37,365
License and permits					23,611	0	23,611
Intergovernmental					530,510	0	530,510
Interest income					14,000	3,183	17,183
Rental income					10,000	0	10,000
Fines and forfeits					24,159	0	24,159
Operating transfers					(2,078)	2,078	0
Parks and recreation					0	0	0
Donations					1,772	500	2,272
Other revenues					7,281	0	7,281
Total General Revenues					<u>1,073,828</u>	<u>5,761</u>	<u>1,079,589</u>
Change in Net Position					<u>191,110</u>	<u>(102,399)</u>	<u>88,711</u>
Net Position, Beginning of year					3,183,378	3,248,120	6,431,498
Prior period adjustment					<u>0</u>	<u>0</u>	<u>0</u>
Net Position, Beginning of year					<u>3,183,378</u>	<u>3,248,120</u>	<u>6,431,498</u>
Net Position, End of year					<u>\$ 3,374,488</u>	<u>\$ 3,145,721</u>	<u>\$ 6,520,209</u>

The accompanying notes are an integral part of this statement.

TOWN OF PLAIN DEALING, LOUISIANA
BALANCE SHEET -
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	<u>General Fund</u>	<u>Sales Tax</u>	<u>Industrial Development</u>	<u>General and Public Facilities</u>	<u>Total</u>
Assets					
Cash	\$ 37,521	\$ 43,483	\$ 223,454	\$ 67	\$ 304,525
Investments	0	0	1,471,271	0	1,471,271
Accounts receivable	24,082	0	0	0	24,082
Due from other funds	18,723	0	0	0	18,723
Restricted assets - cash	28,040	0	0	0	28,040
Restricted assets - certificates of deposit	29,176	0	0	0	29,176
Capital Projects in Progress	0	0	0	375,215	375,215
Prepaid expenses	78,137	0	71	0	78,208
Deposits	6,094	0	0	0	6,094
Total Assets	\$ 221,773	\$ 43,483	\$ 1,694,796	\$ 375,282	\$ 2,335,334
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 112,904	\$ 0	\$ 78	\$ 0	\$ 112,982
Deferred revenue	1,865	0	0	0	1,865
Due to other funds	0	0	0	324	324
Total Liabilities	114,769	0	78	324	115,171
Fund Balances					
Nonspendable	78,137	0	78	0	78,215
Assigned	57,215	43,483	1,694,640	374,958	2,170,296
Unassigned	(28,348)	0	0	0	(28,348)
Total Fund Balances	107,004	43,483	1,694,718	374,958	2,220,163
Total Liabilities and Fund Balances	\$ 221,773	\$ 43,483	\$ 1,694,796	\$ 375,282	\$ 2,335,334

The accompanying notes are an integral part of this statement.

TOWN OF PLAIN DEALING, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017

Total Fund Balances for Governmental Funds (Exhibit C)	\$	2,220,163
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Total Net Position reported for governmental activities in the statement of net position is different because:

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

Land	\$	488,281	
Buildings and other improvements, net of \$1,319,611 in accumulated depreciation		642,716	
Equipment, furniture, and fixtures, net of \$922,691 in accumulated depreciation		<u>140,311</u>	
Total Capital Assets			1,271,308

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

Net pension liability	<u>(133,113)</u>	
Total Long-term Liabilities		(133,113)

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

Deferred outflows of resources related to pensions	22,990	
Deferred inflows of resources related to pensions	<u>(6,860)</u>	
Total Deferred Outflows and Inflows		16,130

Total Net Position of Governmental Activities (Exhibit A)	\$	<u><u>3,374,488</u></u>
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The accompanying notes are an integral part of this statement

TOWN OF PLAIN DEALING, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Sales Tax	Industrial Development	General and Public Facilities	Total
REVENUES					
Property taxes	\$ 32,627	\$ 0	\$ 0	\$ 0	\$ 32,627
Franchise taxes	21,832	0	0	0	21,832
Sales taxes	0	372,749	0	0	372,749
Other taxes	37,365	0	0	0	37,365
Licenses and permits	23,611	0	0	0	23,611
Intergovernmental	235,623	0	0	294,887	530,510
Interest income	621	17	13,362	0	14,000
Charges for services	134,306	0	0	0	134,306
Rental income	6,500	0	3,500	0	10,000
Fines and forfeits	24,159	0	0	0	24,159
Parks and recreation	0	0	0	0	0
Other Revenues	7,281	0	0	0	7,281
	<u>523,925</u>	<u>372,766</u>	<u>16,862</u>	<u>294,887</u>	<u>1,208,440</u>
EXPENDITURES					
General government	330,065	0	44,764	0	374,829
Public safety	371,460	0	0	0	371,460
Street and sanitation	144,034	0	0	0	144,034
Capital outlays	0	0	0	0	0
Project expenditures	0	0	0	0	0
	<u>845,559</u>	<u>0</u>	<u>44,764</u>	<u>0</u>	<u>890,323</u>
Excess (deficiency) of revenues over expenditures	<u>(321,634)</u>	<u>372,766</u>	<u>(27,902)</u>	<u>294,887</u>	<u>318,117</u>
Other financing sources(uses):					
Operating transfers in	255,821	0	52,214	57,922	365,957
Operating transfers out	0	(343,034)	(25,000)	0	(368,034)
Donations	1,772	0	0	0	1,772
Net other financing sources (uses)	<u>257,593</u>	<u>(343,034)</u>	<u>27,214</u>	<u>57,922</u>	<u>(305)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(64,041)</u>	<u>29,732</u>	<u>(688)</u>	<u>352,809</u>	<u>317,812</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>171,045</u>	<u>13,751</u>	<u>1,695,406</u>	<u>22,149</u>	<u>1,902,351</u>
FUND BALANCE AT END OF YEAR	<u>\$ 107,004</u>	<u>\$ 43,483</u>	<u>\$ 1,694,718</u>	<u>\$ 374,958</u>	<u>\$ 2,220,163</u>

The accompanying notes are an integral part of this statement.

TOWN OF PLAIN DEALING, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Net Change in Fund Balances-Total Governmental Funds (Exhibit E) \$ 317,812

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$0) is more than depreciation (\$94,169) in the current period. (94,169)

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

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

Change in deferred inflows/outflows related to pension plan (46,563)
Change in pension liability 14,031

Change in Net Position of Governmental Activities (Exhibit B) \$ 191,110

The accompanying notes are an integral part of this statement

TOWN OF PLAIN DEALING, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
DECEMBER 31, 2017

ASSETS	Proprietary Fund		Fiduciary Fund	Total		
	Type	Enterprise	Type		Trust	
Current Assets:						
Cash	\$	435,939	\$	110,273	\$	546,212
Receivables		77,351		0		77,351
Due from other funds		1,619		0		1,619
Prepaid expenses		32,841		259		33,100
Construction in progress		0		0		0
Total Current Assets		547,750		110,532		658,282
Restricted Assets						
Cash		47,008		0		47,008
Certificates of deposit		31,000		0		31,000
Total Restricted Assets		78,008		0		78,008
Property, Plant & Equipment, net		2,543,615		3,571		2,547,186
Total Assets		3,169,373		114,103		3,283,476
Deferred outflows of resources		0		0		0
LIABILITIES						
Current liabilities (payable from current assets):						
Accounts payable		45,228		283		45,511
Due to other funds		20,019		0		20,019
Total Current Liabilities (Payable From Current Assets)		65,247		283		65,530
Current liabilities (payable from restricted assets):						
Customer deposits		72,225		0		72,225
Total Current Liabilities (Payable From Restricted Assets)		72,225		0		72,225
Total liabilities (Payable From Restricted Assets)		72,225		0		72,225
Total Liabilities		137,472		283		137,755
Deferred inflows of resources		0		0		0
NET POSITION						
Net investment in capital assets		2,543,617		3,571		2,547,188
Restricted		78,008		0		78,008
Unrestricted		410,276		110,249		520,525
Total Net Position	\$	3,031,901	\$	113,820	\$	3,145,721

The accompanying notes are an integral part of this statement

TOWN OF PLAIN DEALING, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION-
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Proprietary Fund Type Enterprise	Fiduciary Fund Type Trust	Total
Operating Revenues:			
Charges for services	\$ 503,705	\$ 1,300	\$ 505,005
Other	0	500	500
Total Operating Revenues	<u>503,705</u>	<u>1,800</u>	<u>505,505</u>
Operating Expenses:			
Personnel services	250,984	0	250,984
Contractual services	22,717	0	22,717
Supplies and materials	81,632	5,274	86,906
Heat, light and power	45,762	0	45,762
Depreciation	162,345	1,020	163,365
Other	93,923	308	94,231
Total Operating Expenses	<u>657,363</u>	<u>6,602</u>	<u>663,965</u>
Operating Income	<u>(153,658)</u>	<u>(4,802)</u>	<u>(158,460)</u>
Nonoperating revenues			
(Expenses):			
Grants	50,800	0	50,800
Interest income	2,361	822	3,183
Interest expense	0	0	0
Total Nonoperating Revenues	<u>53,161</u>	<u>822</u>	<u>53,983</u>
Income (Loss) Before Other Financing Sources and Transfers	<u>(100,497)</u>	<u>(3,980)</u>	<u>(104,477)</u>
Other Financing Sources:			
Loss on retirement of fixed assets	0	0	0
Transfers in	60,000	0	60,000
Transfers out	(57,922)	0	(57,922)
State Grant	0	0	0
Total Other Financing Sources	<u>2,078</u>	<u>0</u>	<u>2,078</u>
Change in Net Position	<u>(98,419)</u>	<u>(3,980)</u>	<u>(102,399)</u>
Net Position at Beginning of Year	<u>3,130,320</u>	<u>117,800</u>	<u>3,248,120</u>
Net Position at End of Year	<u>\$ 3,031,901</u>	<u>\$ 113,820</u>	<u>\$ 3,145,721</u>

The accompanying notes are an integral part of this statement

TOWN OF PLAIN DEALING, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Proprietary Fund Type - Enterprise	Fiduciary Fund Type - Cemetery	Total
Cash flows from operating activities:			
Receipts from customers	\$ 503,705	\$ 1,800	\$ 505,505
Cash payments to suppliers	(243,905)	(5,831)	(249,736)
Cash payments to employees for services	(250,984)	0	(250,984)
Net cash from operating activities	<u>8,816</u>	<u>(4,031)</u>	<u>4,785</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	60,000	0	60,000
Transfers to other funds	(57,922)	0	(57,922)
Net cash from noncapital financing Activities	<u>2,078</u>	<u>0</u>	<u>2,078</u>
Cash flows from capital and financing activities:			
Capital Grants	50,800	0	50,800
Purchases of capital assets	(61,929)	0	(61,929)
Net cash from capital and financing activities	<u>(11,129)</u>	<u>0</u>	<u>(11,129)</u>
Cash flows from investing activities:			
Interest income	2,361	822	3,183
Net cash from investing activities	<u>2,361</u>	<u>822</u>	<u>3,183</u>
Net increase (decrease) in cash	2,126	(3,209)	(1,083)
Cash, beginning of year	<u>511,821</u>	<u>113,482</u>	<u>625,303</u>
Cash, end of year	<u>\$ 513,947</u>	<u>\$ 110,273</u>	<u>\$ 624,220</u>
Cash is reflected on the statements of net position as follows:			
Cash	\$ 435,939	\$ 110,273	\$ 546,212
Cash-restricted	78,008	0	78,008
Total	<u>\$ 513,947</u>	<u>\$ 110,273</u>	<u>\$ 624,220</u>
Reconciliation of Operating Income(Loss) to Net Cash Provided(Used) by Operating Activities:			
Operating income(Loss)	\$ (153,658)	\$ (4,802)	\$ (158,460)
Adjustments to Reconciling Income (Loss) to Net Cash Provided(Used) by Operating Activities:			
Depreciation Expense	162,345	1,020	163,365
(Increase)decrease in receivables	(8,954)	0	(8,954)
Increase(decrease) in accounts payable	(7,750)	(51)	(7,801)
(Increase)decrease in due from other fund	(1,290)	0	(1,290)
(Increase)decrease in prepaid expenses	4,490	25	4,515
Increase(decrease) customer deposits	2,120	0	2,120
Increase(decrease) in due to other fund	11,513	(223)	11,290
Net cash (used) by operating activities	<u>\$ 8,816</u>	<u>\$ (4,031)</u>	<u>\$ 4,785</u>

The accompanying notes are an integral part of this statement.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements
December 31, 2017

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

B. Reporting Entity

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

C. Government - Wide and Fund Financial Statements

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

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

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

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

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

Governmental Funds

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

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

Proprietary Funds

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

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

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)

December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

E. Budgets and Budgetary Accounting

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

1. The Mayor prepares a proposed budget and submits same to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. The Board of Aldermen may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. The 2017 budget was amended on December 12, 2017 to adjust revenues, charges for services revenue; and general government, public safety, street and sanitation, and capital outlay expenditures in the General Fund. The revenues and expenditures were amended in the Special

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets and Budgetary Accounting (Continued)

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

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

F. Cash and Cash Equivalents

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

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

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

G. Investments

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

H. Receivables

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

I. Inventories

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

J. Bad Debts

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

K. Deferred Outflows of Resources and Deferred Inflows of Resources

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

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity

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

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

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

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

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

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

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

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

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

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

M. Restricted Assets

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

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Compensated Absences

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

O. Interfund Transactions

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

P. Statements of Cash Flows (including restricted assets)

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

Q. Refundable Deposits

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

NOTE 2 CASH AND CASH EQUIVALENTS

At December 31, 2017, the Town's cash and cash equivalents (book balances) were \$2,457,232 cash, demand deposits, and certificates of deposit. These deposits are stated at cost, which approximates market. Under state law, these deposits, or resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank(s). The market value of the pledged securities plus federal deposit insurance must equal the amount with the fiscal agent at all times. These securities are held in the name of the of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2017, the Town has \$2,505,683 in deposits (collected bank balances), within one bank, consisting of \$974,235 in demand deposits and \$1,531,448 in time deposits. The demand deposits are secured from risk by \$250,000 of federal deposit insurance and \$2,782,705 of pledged securities and the time deposits are secured from risk by federal deposit insurance. The \$2,782,705 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2017

NOTE 3 AD VALOREM TAXES

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

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

For the year ended December 31, 2017, taxes of 8.73 mills were levied on property with assessed valuations of \$3,812,119 and were dedicated for general corporate purposes.

Total taxes levied were \$33,280. Taxes receivable at December 31, 2017, consisted of the following:

Taxes receivable current roll	\$ 6,881	
Less: allowance for uncollectible taxes	<u> 0</u>	
	<u>\$ 6,881</u>	

NOTE 4 RESTRICTED ASSETS

	<u>2017</u>	<u>2016</u>
Government Fund Type:		
Restricted cash-clinic account	\$ 28,040	\$ 30,276
Restricted certificate of deposit	<u>29,176</u>	<u>28,959</u>
	<u>\$ 57,216</u>	<u>\$ 59,235</u>
Proprietary Fund Type:		
Water Fund		
Customer deposit account	\$ 47,008	\$ 44,681
Customer deposits-certificate of deposit	<u>31,000</u>	<u>31,000</u>
	<u>78,008</u>	<u>75,681</u>
Sewer Fund		
Sewer Maintenance Fee	<u>5,897</u>	<u>1,801</u>
	<u>\$ 83,905</u>	<u>\$ 77,482</u>

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2017

NOTE 5 SALES AND USE TAX

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

NOTE 6 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2017:

	Governmental Activities	Business- Type Activities	Total
Charges for services	\$ 17,201	\$ 60,351	\$ 77,552
Property Taxes	6,881	0	6,881
Other	<u>0</u>	<u>17,000</u>	<u>17,000</u>
Total	<u>\$ 24,082</u>	<u>\$ 77,351</u>	<u>\$ 101,433</u>

NOTE 7 GRANTS

As of December 31, 2017 the Town has in progress grant LCDBG FY2016-FY2017 for the purpose of building a ground level water storage tank. The grant is for \$375,000 of which \$294,887 was received in 2017. Total construction cost incurred as of December 31, 2017 is \$375,215 which is recorded as "Capital Projects in Progress" in Exhibit A of the financial statements.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2017

NOTE 8 CAPITAL ASSETS

A summary of the Town of Plain Dealing's capital assets at December 31, 2017 follows:

	<u>Balance Dec 31, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance Dec 31, 2017</u>
Governmental Activities				
Capital Assets, not being depreciated				
Land and Right-Of-Ways	\$ 488,281	\$ 0	\$ 0	\$ 488,281
Total Capital Assets, not being depreciated	<u>488,281</u>	<u>0</u>	<u>0</u>	<u>488,281</u>
Capital Assets, being depreciated				
Buildings and other improvements	670,252	0	0	670,252
Dams & Reservoirs	294,580	0	0	294,580
Street Improvements	856,652	0	0	856,652
Park Improvements	140,843	0	0	140,843
Less accumulated depreciation	<u>(1,275,600)</u>	<u>(44,011)</u>	<u>0</u>	<u>(1,319,611)</u>
Total Buildings and Building Improvements	<u>686,727</u>	<u>(44,011)</u>	<u>0</u>	<u>642,716</u>
Equipment, furniture and fixtures	1,063,005	0	0	1,063,005
Less accumulated depreciation	<u>(872,535)</u>	<u>(50,158)</u>	<u>0</u>	<u>(922,693)</u>
Total Equipment, Furniture and Fixtures	<u>190,470</u>	<u>(50,158)</u>	<u>0</u>	<u>140,311</u>
Total Capital Assets, being depreciated	<u>877,197</u>	<u>(94,169)</u>	<u>0</u>	<u>783,027</u>
Governmental Activities				
Total Capital Assets, net	\$ <u>1,365,478</u>	\$ <u>(94,169)</u>	\$ <u>0</u>	\$ <u>1,271,308</u>
Business-Type Activities				
Capital Assets, not being depreciated				
Land and Right-Of-Ways	\$ 20,079	\$ 0	\$ 0	\$ 20,079
Total Capital Assets, not being depreciated	<u>20,079</u>	<u>0</u>	<u>0</u>	<u>20,079</u>
Capital Assets, being depreciated				
Distribution system	5,081,481	61,929	0	5,143,410
Equipment, Furniture, and Fixtures	10,609	0	0	10,609
Less accumulated depreciation	<u>(2,463,545)</u>	<u>(163,366)</u>	<u>0</u>	<u>(2,626,911)</u>
Total Distribution System	<u>2,628,545</u>	<u>(101,437)</u>	<u>0</u>	<u>2,527,108</u>
Total Capital Assets, being depreciated	<u>2,628,545</u>	<u>(101,437)</u>	<u>0</u>	<u>2,527,108</u>
Business-Type Activities				
Total Capital Assets, net	\$ <u>2,648,624</u>	\$ <u>(101,437)</u>	\$ <u>0</u>	\$ <u>2,547,186</u>
Primary Government				
Total Capital Assets, net	\$ <u>4,014,102</u>	\$ <u>(195,606)</u>	\$ <u>0</u>	\$ <u>3,818,494</u>

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2017

NOTE 9 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

A. Interfund Receivables and Payables

	Interfund Receivables	Interfund Payables
General fund	\$ 18,723	\$ 0
Sales tax fund	0	0
Industrial development fund	0	0
General and public facilities fund	0	323
Proprietary funds		
Water department	235	10,992
Sewer department	1,384	9,027
Fiduciary fund	0	0
	\$ 20,342	\$ 20,342

B. Operating Transfers

	Transfers In	Transfers Out
General fund	\$ 255,821	\$ 0
Sales tax fund	0	343,034
Industrial development fund	52,214	25,000
Capital projects fund	57,922	0
Water department	0	57,922
Sewer department	60,000	0
	\$ 425,957	\$ 425,957

NOTE 10 LEASES

The Town's long term operating lease for the use of the telephone equipment in the municipal complex was converted to a month to month lease in 2014 and was terminated August 2017. The rental cost on the month to month equipment from was \$921.

On June 14, 2017 the town entered into a new long term operating lease for the use of the telephone equipment in the municipal complex. The lease payments on this equipment as of December 31, 2017 were \$650.

Minimum lease payments under this lease are as follows:

2018	1,559
2019	1,559
2020	1,559
2021	1,559
2022	910
	\$ 7,146

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2017

NOTE 11 RETIREMENT COMMITMENTS

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

Plan Description

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

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

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

Benefits Provided

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

Retirement

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

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

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

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

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

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2017

NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

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

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

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

Deferred Retirement Option Plan (DROP)

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

Disability Benefits

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

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2017

NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

Survivor's Benefits

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

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

Cost-of-Living Increases

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

Initial Benefit Option Plan

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

Contributions

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

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)

December 31, 2017

NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

For the six months ended June 30, 2017 and the six months ended December 31, 2017, total contributions due for employers and employees were 41.75% and 40.75%, respectively. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 31.75% and 10%, respectively. The employer and employee contribution rates for all Non Hazardous Duty members hired after January 1, 2013 were 33.75% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 34.25% and 7.5%, respectively.

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

The Town's contractually required composite contribution rate for the year ended December 31, 2017 was 30.75% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Town were \$13,860 for the year ended December 31, 2017.

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

At December 31, 2017, the Town reported a liability of \$133,113 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Town's proportion was .015247%, which was a decrease of .000452% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Town recognized pension expense of \$31,660 plus or minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$30,597.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2017

NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 872	\$ 1,023
Changes in assumption	9,472	0
Net difference between projected and actual earnings on pension plan investments	5,827	0
Changes in employer's proportion of beginning net pension liability	0	5,837
Differences between employer contributions and proportionate share of employer contributions	0	0
Subsequent Measurement Contributions	6,8191	0
Total	\$22,990	\$ 6,860

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

Year ended June 30:	
2018	\$ 2,620
2019	5,919
2020	3,890
2021	(3,118)
Total	\$ 9,311

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2017

NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 is as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years
Investment Rate of Return	7.325% net of investment expense.
Mortality	The mortality rate assumption used was based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Salary Increases, including inflation (2.7%) and merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1-2	9.75%
	3-23	4.75%
	Over 23	4.25%

The discount rate used to measure the total pension liability was 7.325%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems' Actuarial Committee, taking into consideration the recommendation of the actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2017

NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	21%	0.52%
Equity	53%	3.66%
Alternatives	20%	1.10%
Other	6%	0.16%
Total	100%	5.44%
Inflation		2.75%
Expected Arithmetic Nominal Return		8.19%

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

The following presents the District's proportionate share of the Net Pension Liability using the discount rate of 7.325%, as well as what the District's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.325%) or one percentage-point higher (8.325%) than the current rate:

	1.0% Decrease (6.325%)	Current Discount Rate (7.325%)	1.0% Increase (8.325%)
Employer's proportionate share of net pension liability	\$183,908	\$133,113	\$ 90,499

Pension Plan Fiduciary Net Position

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

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)
December 31, 2017

NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$1,506, which is the legally required contribution due at December 31, 2017. This amount is recorded in accrued expenses.

B. Deferred Compensation Plan

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Town matches the employee's contribution up to 2% of the employee's salary to the plan. In 2017, the Town's matching contribution to the plan was \$4,297. An independent plan administrator through an administrative service agreement administers the plan. The Town's administrative involvement is limited to transmitting amounts withheld from the employees and its matching portion to the plan administrator who performs investing functions.

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

NOTE 12 COMMITMENTS AND CONTINGENCIES

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

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

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

NOTE 13 ON-BEHALF PAYMENTS

Qualified Town police employees received a total of \$29,367 in police supplemental pay from the State of Louisiana. The Town is responsible for withholding taxes from these employees and paying the Town's matching portion of social security taxes for the amount of additional pay received. The Town must recognize this pay received by the employees as revenues and expenditures of the Town. The revenue is reported in the General Fund under intergovernmental revenues and the expenditure is reported in the Police Department.

NOTE 14 SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 26, 2018 which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

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

Year Ended December 31, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property taxes	\$ 33,000	\$ 33,000	\$ 32,627	\$ (373)
Franchise taxes	21,800	22,000	21,832	(168)
Other taxes	36,500	39,900	37,365	(2,535)
Licenses and permits	19,675	23,500	23,611	111
Intergovernmental	249,917	219,900	235,623	15,723
Interest income	1,000	600	621	21
Charges for services	137,000	135,000	134,306	(694)
Rental income	8,000	8,500	6,500	(2,000)
Fines and forfeits	16,000	22,000	24,159	2,159
Parks and recreation	3,000	0	0	0
Other	5,400	4,700	9,053	4,353
Total revenues	<u>531,292</u>	<u>509,100</u>	<u>525,697</u>	<u>16,597</u>
Expenditures:				
General government	201,930	336,160	330,065	6,095
Public safety	406,022	372,200	371,460	740
Street and Sanitation	265,630	152,740	144,034	8,706
Capital outlays	35,300	0	0	0
Contributions to other government agencies	0	0	0	0
Total expenditures	<u>908,882</u>	<u>861,100</u>	<u>845,559</u>	<u>15,541</u>
Excess (deficiency) of revenues over expenditures	<u>(377,590)</u>	<u>(352,000)</u>	<u>(319,862)</u>	<u>32,138</u>
Other financing sources(uses):				
Operating transfers in	224,000	270,200	255,821	(14,379)
Operating transfers out	0	0	0	0
Gain on sale of fixed assets	0	0	0	0
Net other financing sources (uses)	<u>224,000</u>	<u>270,200</u>	<u>255,821</u>	<u>(14,379)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(153,590)</u>	<u>(81,800)</u>	<u>(64,041)</u>	<u>17,759</u>
Fund balance at beginning of year	<u>171,045</u>	<u>171,045</u>	<u>171,045</u>	<u>0</u>
Fund balance at end of year	<u>\$ 17,455</u>	<u>\$ 89,245</u>	<u>\$ 107,004</u>	<u>\$ 17,759</u>

See accompanying notes to the financial statements.

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

Year Ended December 31, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0
Franchise taxes	0	0	0	0
Sales taxes	330,000	367,000	372,749	5,749
Other taxes	0	0	0	0
Licenses and permits	0	0	0	0
Intergovernmental	0	0	0	0
Grant revenue	0	0	0	0
Interest income	75	25	17	(8)
Charges for services	0	0	0	0
Rental income	0	0	0	0
Fines and forfeits	0	0	0	0
Lake income	0	0	0	0
Other	0	0	0	0
Total revenues	<u>330,075</u>	<u>367,025</u>	<u>372,766</u>	<u>5,741</u>
Expenditures:				
General government	0	0	0	0
Public safety	0	0	0	0
Street and Sanitation	0	0	0	0
Capital outlays	0	0	0	0
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	<u>330,075</u>	<u>367,025</u>	<u>372,766</u>	<u>5,741</u>
Other financing sources(uses):				
Operating transfers in	0	0	0	0
Operating transfers out	(330,000)	(367,000)	(343,034)	23,966
Net other financing sources (uses)	<u>(330,000)</u>	<u>(367,000)</u>	<u>(343,034)</u>	<u>23,966</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	75	25	29,732	29,707
Fund balance at beginning of year	<u>13,751</u>	<u>13,751</u>	<u>13,751</u>	<u>0</u>
Fund balance at end of year	<u>\$ 13,826</u>	<u>\$ 13,776</u>	<u>\$ 43,483</u>	<u>\$ 29,707</u>

See accompanying notes to the financial statements.

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

Year Ended December 31, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0
Franchise taxes	0	0	0	0
Sales taxes	0	0	0	0
Other taxes	0	0	0	0
Licenses and permits	0	0	0	0
Intergovernmental	0	0	0	0
Grant revenue	0	0	0	0
Interest income	5,500	12,500	13,362	862
Charges for services	0	0	0	0
Rental income	0	3,500	3,500	0
Fines and forfeits	0	0	0	0
Lake income	0	0	0	0
Other	0	0	0	0
Total revenues	<u>5,500</u>	<u>16,000</u>	<u>16,862</u>	<u>862</u>
Expenditures:				
General government	2,250	47,050	44,764	2,286
Public safety	0	0	0	0
Street and Sanitation	0	0	0	0
Capital outlays	0	0	0	0
Total expenditures	<u>2,250</u>	<u>47,050</u>	<u>44,764</u>	<u>2,286</u>
Excess (deficiency) of revenues over expenditures	<u>3,250</u>	<u>(31,050)</u>	<u>(27,902)</u>	<u>3,148</u>
Other financing sources(uses):				
Operating transfers in	72,000	61,800	52,214	(9,586)
Operating transfers out	<u>(26,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>0</u>
Net other financing sources (uses)	<u>46,000</u>	<u>36,800</u>	<u>27,214</u>	<u>(9,586)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	49,250	5,750	(688)	(6,438)
Fund balance at beginning of year	<u>1,695,406</u>	<u>1,695,406</u>	<u>1,695,406</u>	<u>0</u>
Fund balance at end of year	<u>\$ 1,744,656</u>	<u>\$ 1,701,156</u>	<u>\$ 1,694,718</u>	<u>\$ (6,438)</u>

See accompanying notes to the financial statements.

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

Year Ended December 31, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0
Franchise taxes	0	0	0	0
Sales taxes	0	0	0	0
Other taxes	0	0	0	0
Licenses and permits	0	0	0	0
Intergovernmental	693,350	327,600	294,887	(32,713)
Grant revenue	0	0	0	0
Interest income	0	0	0	0
Charges for services	0	0	0	0
Rental income	0	0	0	0
Fines and forfeits	0	0	0	0
Lake income	0	0	0	0
Other	0	0	0	0
Total revenues	<u>693,350</u>	<u>327,600</u>	<u>294,887</u>	<u>(32,713)</u>
Expenditures:				
General government	0	0	0	0
Public safety	0	0	0	0
Street and Sanitation	0	0	0	0
Capital outlays	890,167	418,500	0	418,500
Project expenditures	0	0	0	0
Total expenditures	<u>890,167</u>	<u>418,500</u>	<u>0</u>	<u>418,500</u>
Excess (deficiency) of revenues over expenditures	<u>(196,817)</u>	<u>(90,900)</u>	<u>294,887</u>	<u>385,787</u>
Other financing sources(uses):				
Operating transfers in	181,917	68,300	57,922	(10,378)
Operating transfers out	0	0	0	0
Net other financing sources (uses)	<u>181,917</u>	<u>68,300</u>	<u>57,922</u>	<u>(10,378)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(14,900)</u>	<u>(22,600)</u>	<u>352,809</u>	<u>375,409</u>
Fund balance at beginning of year	<u>22,149</u>	<u>22,149</u>	<u>22,149</u>	<u>0</u>
Fund balance at end of year	<u>\$ 7,249</u>	<u>\$ (451)</u>	<u>\$ 374,958</u>	<u>\$ 375,409</u>

See accompanying notes to the financial statements.

TOWN OF PLAIN DEALING, LOUISIANA
Schedule of Employer's Share of Net Pension Liability

Year Ended December 31, 2017

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

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

TOWN OF PLAIN DEALING, LOUISIANA

Schedule of Employer Contributions

Year Ended December 31, 2017

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

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

TOWN OF PLAIN DEALING, LOUISIANA

Note to Retirement System Schedules

Year Ended December 31, 2017

Municipal Police Employees' Retirement System

Changes of benefit terms - There were no changes of benefit terms for the year ended December 31, 2017.

Changes of assumptions - There were no changes of benefit assumptions for the year ended December 31, 2017.

OTHER SUPPLEMENTARY INFORMATION

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

For the Year Ended December 31, 2017

Compensation Paid to Mayor and Aldermen:

Mayor		
Smith	\$	18,000
Alderman/Alderwoman		
Allums		1,300
Dodson		1,300
Gay		1,300
Haynie		1,300
Jennings		<u>1,300</u>
Totals	\$	<u><u>24,500</u></u>

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

Agency Head Name: Mayor Smith

Purpose		
Salary	\$	18,000
Benefits - Insurance		0
Benefits - Retirement		0
Benefits - Other		0
Car Allowance		0
Vehicle Provided by Government		0
Per Diem		0
Reimbursements		0
Travel		0
Registration Fees		200
Conference Travel		0
Continuing Professional Education Fees		0
Housing		0
Unvouchered Expenses		0
Meals		<u>0</u>
	\$	<u><u>18,200</u></u>

See accompanying notes to the financial statements.

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

December 31, 2017

ASSETS	Water Department	Sewer Department	Combined
Current Assets:			
Cash	\$ 73,619	\$ 362,320	\$ 435,939
Receivables	53,468	23,883	77,351
Due from other funds	235	1,384	1,619
Prepaid expenses	19,272	13,569	32,841
	<u>146,594</u>	<u>401,156</u>	<u>547,750</u>
Total Current Assets			
Restricted Assets			
Cash	47,008	0	47,008
Certificates of deposit	31,000	0	31,000
	<u>78,008</u>	<u>0</u>	<u>78,008</u>
Total Restricted Assets			
Property, Plant & Equipment:, net	1,086,483	1,457,132	2,543,615
	<u>1,311,085</u>	<u>1,858,288</u>	<u>3,169,373</u>
Total Assets			
Deferred outflows of resources	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts payable	27,438	17,790	45,228
Due to other funds	10,992	9,027	20,019
Total Current Liabilities (Payable From Current Assets)	<u>38,430</u>	<u>26,817</u>	<u>65,247</u>
Current liabilities (payable from restricted assets):			
Customer deposits	72,225	0	72,225
Total Current Liabilities (Payable From Restricted Assets)	<u>72,225</u>	<u>0</u>	<u>72,225</u>
Long-Term Liabilities (payable from restricted assets):	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities (Payable From Restricted Assets)	<u>72,225</u>	<u>0</u>	<u>72,225</u>
Total Liabilities	<u>110,655</u>	<u>26,817</u>	<u>137,472</u>
Deferred inflows of resources	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
NET POSITION			
Net investment in capital assets	1,086,483	1,457,134	2,543,617
Restricted	78,008	0	78,008
Unrestricted	35,939	374,337	410,276
	<u>1,200,430</u>	<u>1,831,471</u>	<u>3,031,901</u>
Total Net Position	<u>\$ 1,200,430</u>	<u>\$ 1,831,471</u>	<u>\$ 3,031,901</u>

See accompanying notes to the financial statements.

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

For the Year Ended December 31, 2017

	Water Department	Sewer Department	Combined
Operating Revenues:			
Charges for services	\$ 304,447	\$ 199,258	\$ 503,705
Other	<u>0</u>	<u>0</u>	<u>0</u>
Total operating revenues	<u>304,447</u>	<u>199,258</u>	<u>503,705</u>
Operating Expenses:			
Personnel services	133,971	117,013	250,984
Contractual services	13,623	9,094	22,717
Supplies and materials	46,269	35,363	81,632
Heat, light and power	29,773	15,989	45,762
Depreciation	65,456	96,889	162,345
Other	<u>61,347</u>	<u>32,576</u>	<u>93,923</u>
Total operating expenses	<u>350,439</u>	<u>306,924</u>	<u>657,363</u>
Operating income (loss)	<u>(45,992)</u>	<u>(107,666)</u>	<u>(153,658)</u>
Nonoperating Revenues (Expenses):			
Grants	33,900	16,900	50,800
Interest income	848	1,513	2,361
Interest expense	0	0	0
Contribution-State Grant	0	0	0
Transfers in	0	60,000	60,000
Transfers out	<u>(57,922)</u>	<u>0</u>	<u>(57,922)</u>
Net Nonoperating revenues (expenses)	<u>(23,174)</u>	<u>78,413</u>	<u>55,239</u>
Change in Net Position	(69,166)	(29,253)	(98,419)
Net Position, beginning of year	<u>1,269,596</u>	<u>1,860,724</u>	<u>3,130,320</u>
Net Position, ending	<u>\$ 1,200,430</u>	<u>\$ 1,831,471</u>	<u>\$ 3,031,901</u>

See accompanying notes to the financial statements.

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

For the Year Ended December 31, 2017

	Water Department	Sewer Department	Combined
Cash flows from operating activities:			
Receipts from customers	\$ 304,447	\$ 199,258	\$ 503,705
Cash payments to suppliers	(158,383)	(85,522)	(243,905)
Cash payments to employees for services	(133,971)	(117,013)	(250,984)
Net cash from operating activities	<u>12,093</u>	<u>(3,277)</u>	<u>8,816</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	0	60,000	60,000
Transfers to other funds	(57,922)	0	(57,922)
Net cash from noncapital financing Activities	<u>(57,922)</u>	<u>60,000</u>	<u>2,078</u>
Cash flows from capital and financing activities:			
Capital Grants	33,900	16,900	50,800
Purchases of capital assets	(35,715)	(26,214)	(61,929)
Net cash from capital and financing activities	<u>(1,815)</u>	<u>(9,314)</u>	<u>(11,129)</u>
Cash flows from investing activities:			
Interest income	848	1,513	2,361
Net cash from investing activities	<u>848</u>	<u>1,513</u>	<u>2,361</u>
Net increase (decrease) in cash	(46,796)	48,922	2,126
Cash, beginning of year	<u>198,423</u>	<u>313,398</u>	<u>511,821</u>
Cash, end of year	<u>\$ 151,627</u>	<u>\$ 362,320</u>	<u>\$ 513,947</u>
Cash is reflected on the statements of net position as follows:			
Cash	\$ 73,619	\$ 362,320	\$ 435,939
Cash-restricted	78,008	0	78,008
Total	<u>\$ 151,627</u>	<u>\$ 362,320</u>	<u>\$ 513,947</u>
Reconciliation of Operating Income(Loss) to Net Cash			
Provided(Used) by Operating Activities:			
Operating income(Loss)	\$ (45,992)	\$ (107,666)	\$ (153,658)
Adjustments to Reconciling Income (Loss) to Net Cash			
Provided(Used) by Operating Activities:			
Depreciation Expense	65,456	96,889	162,345
(Increase)decrease in receivables	(13,694)	4,740	(8,954)
Increase(decrease) in accounts payable	(2,866)	(4,884)	(7,750)
(Increase)decrease in due from other fund	0	(1,290)	(1,290)
(Increase)decrease in prepaid expenses	1,552	2,938	4,490
Increase(decrease) customer deposits	2,120	0	2,120
Increase(decrease) in due to other funds	5,517	5,996	11,513
Net cash (used) by operating activities	<u>\$ 12,093</u>	<u>\$ (3,277)</u>	<u>\$ 8,816</u>



Marsha O. Millican
A PROFESSIONAL ACCOUNTING CORPORATION

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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of Town of Plain Dealing, as of December 31, 2017 and related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued my report thereon dated June 26, 2018.

Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

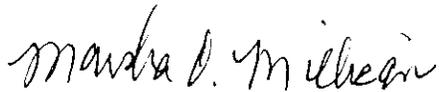
Compliance and Other Matters

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.



Certified Public Accountant
June 26, 2018

OTHER REPORTS

TOWN OF PLAIN DEALING, LOUISIANA

Schedule of Findings

Year Ended December 31, 2017

- 1 The auditor's report expresses an unmodified opinion on the financial statements.
- 2 No Significant deficiencies in internal accounting control were disclosed during the audit.
- 3 No instances of noncompliance to the financial statements of the Town were disclosed during the audit

There were no findings for the year ended December 31, 2017.

TOWN OF PLAIN DEALING, LOUISIANA
Corrective Action Taken on Prior Year Findings

Year Ended December 31, 2017

There were no findings for the year ended December 31, 2016.



Marsha O. Millican
A PROFESSIONAL ACCOUNTING CORPORATION

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

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

I have performed the procedures enumerated below, which were specified and agreed to by the Board of Aldermen of Town of Plain Dealing, Louisiana (the Town) to assist the Town in complying with the requirements of the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal year ended December 31, 2017. I am required to perform each procedure and report the results, including any exceptions. The Town is responsible for internal controls and compliance with laws and regulations relative to the SAUP and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for their purposes.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the Board. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Written Policies and Procedures

1. I obtained the entity's written policies and procedures and determined whether those written policies and procedures address each of the following financial/business functions (or noted that the entity does not have any written policies and procedures), as applicable:
 - ***Budgeting***, including preparing, adopting, monitoring and amending the budget.
 - ***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.
 - ***Disbursements***, including processing, reviewing and approving.
 - ***Receipts***, including receiving, recording, and preparing deposits.
 - ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **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.
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **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.
- **Debt Service**, including (1) debt insurance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - a) Procedures Results - The entity has no written policies and procedures regarding the above topics.
 - b) Management's Response - We amended our policies and procedures to include the above topics, subsequent to year end.

Board (or Finance Committee, if applicable)

2. I obtained and reviewed the board/committee minutes for the fiscal period, and:

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

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.

- Determined whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least meeting during the fiscal period.
 - a) Procedures Results - I noted no exceptions.

Bank Reconciliations

3. I obtained a listing of the Town's bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, I selected 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 five accounts). For each of the bank accounts selected, I obtained bank statements and reconciliations for all months in the fiscal period and determined whether:
 - Bank reconciliations have been prepared.
 - 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
 - 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.
 - a) Procedures Results - I noted no exceptions.

Collections

5. I obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, I selected all of the entity's cash collection locations (if five less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each collection location selected:
 - I obtained existing written documentation (e.g. insurance policy, policy manual, job description) and determined whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transactions, or reconciling the related bank account(report if there are compensating controls performed by an outside party), and (3) not to share the same cash register or drawer with another employee.
 - I obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and determined 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 location selected.
 - I selected 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, traced daily collections to the deposit date on the corresponding bank statement and determined whether the deposits were made within one day of collection. If deposits were not made within one day of collection, I determined the number of days from receipt to deposit for each day at each collection location.

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

7. I obtained written documentation (e.g. policy manual, written procedure) and determined 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.
 - a) Procedure Results - I noted no exceptions.

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

8. I obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sort/filter for entity disbursements. I obtained management's representation that the listing or general population is complete.
9. Using the disbursement population from #8 above, I randomly selected 30 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. I obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and determined whether the supporting documentation for each transaction demonstrated that:
 - Purchases were initiated using a requisition/purchase order system or an equivalent system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or an electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), I noted whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), I noted whether the person with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

12. I inquired of management and observed 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, I reviewed entity documentation (electronic system control documentation) and noted whether the persons with signatory authority have signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, I inquired 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. I inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

a) Procedure Results - I noted no exceptions.

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

14. I obtained 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. I obtained management's representation that the listing is complete.
15. Using the listing prepared by management, I randomly selected 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.

I obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. I selected 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:

- Determined 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.]
 - Determined whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, I obtained 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).
- For each transaction, I determined whether the transaction is supported by:

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

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

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

- For each transaction, I compared 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.
 - For each transaction, I compared the entity's documentation of the business/public purpose to the requirement 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.
- a) Procedure Results - I noted no exceptions.

Travel and Expense Reimbursement

17. I obtained 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. I obtained management's representation that the listing or general ledger is complete.

18. I obtained the entity's written policies related to travel and expense reimbursements. I compared 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.

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

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

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

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

- I compared 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.
- I determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
 - a) Procedure Results - I noted no exceptions.

Contracts

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

21. Using the listing above, I selected 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). I obtained the related contracts and paid invoices and:

- Determined whether is a formal/written contract that supports the services arrangement and the amount paid.
- I compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. I noted 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).

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

- I determined 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.
- I selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and noted whether the invoice and related payment complied with the terms and conditions of the contract.
- I obtained/reviewed contract documentation and board minutes and determined whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).

a) Procedure Results - I noted no exceptions.

Payroll and Personnel

22. I obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. I randomly selected five employees/officials, obtained their personnel files, and:
- a) Reviewed 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.
 - b) Reviewed 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.
23. I obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within the pay period, I randomly selected 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) Determined 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.]
 - b) Determined whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Determined 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.
24. I obtained from management a list of those employees/officials that terminated during the fiscal period and managements representation that the list is complete. If applicable, I selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. I noted whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
25. I obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. I determined whether the employee and employer portions of the payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.
- a) Procedure Results - I noted no exceptions.

Ethics (excluding nonprofits)

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

27. I inquired of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, I reviewed documentation that demonstrates whether management investigate alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. I determined whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

- a) Procedure Results - I noted no exceptions.

Debt Service (excluding nonprofits)

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

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

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

- a) Procedures Results - I noted no exceptions.

Other

31. I inquired of management whether the entity had any misappropriations of public funds or assets. If so, I obtained/reviewed supporting documentation and noted whether the entity had reported the misappropriation to the legislative auditor and the Town attorney of the parish in which the entity is domiciled.

32. I observed 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.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

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

- a) Procedures Results - I noted one exception: the notice required by R.S.24:523.1 was not posted on the premises. The Town has no website.
- b) Management's Response - We have subsequently posted the above notice on the premises.

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

This report is intended solely for the information and use of the Town and the LLA, and is not intended to be, and should not be, used by anyone other than the specified parties.

Marsha O. Milhean

Certified Public Accountant
June 26, 2018