

# KOLDER, SLAVEN & COMPANY, LLC

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March 18, 2020

\* A Professional Accounting Corporation

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Louisiana Legislative Auditor  
1600 North 3<sup>rd</sup> Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

The audit report for the City of Ville Platte, Louisiana, for the fiscal year ended June 30, 2018 is being revised as discussed in Note 24 to the financial statements and Note 3 and 4 to the Schedule of Expenditures of Federal Awards to reflect corrections made in the total federal expenditures included in major program testing.

Sincerely,



Victor R. Slaven, CPA  
***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

**CITY OF VILLE PLATTE, LOUISIANA**

**Financial Statements**

**Year Ended June 30, 2018**

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## INDEPENDENT AUDITOR'S REPORT

\* A Professional Accounting Corporation

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

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ville Platte (City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ville Platte, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in Note 23 to the financial statements, the City has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that budgetary comparison information, the schedule of changes in total OPEB liability and related ratios, employer's share of net pension liability, and employer contributions (pages 48-53) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other financial information and supplemental information (pages 57-72) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards (page 78) is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The financial data schedules (pages 91-92) are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and is also not a required part of the basic financial statements.

The nonmajor governmental funds combining statements and other financial information (pages 65–69), the schedule of expenditures of federal awards, and the financial data schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the nonmajor governmental funds, other financial information, schedule of expenditures of federal awards, and financial data schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison schedules (pages 57-63) and other supplemental information (pages 71-72) have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2018, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

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

Ville Platte, Louisiana  
November 13, 2018

Except for Note 24 to the basic financial statements, the Schedule of Expenditures of Federal Awards and Note 3 and 4 to the Schedule of Expenditures of Federal Awards, as to which the date is March 18, 2020.

## **BASIC FINANCIAL STATEMENTS**



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

CITY OF VILLE PLATTE, LOUISIANA

Statement of Net Position  
June 30, 2018

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and interest-bearing deposits	\$ 4,698,452	\$ 756,154	\$ 5,454,606
Receivables, net	105,861	475,866	581,727
Due from other governmental units	87,850	35,193	123,043
Inventories, at cost	-	24,822	24,822
Prepaid items	55,360	19,992	75,352
Restricted assets:			
Cash and interest-bearing deposits	-	1,497,692	1,497,692
Capital assets, net	<u>7,591,505</u>	<u>20,814,869</u>	<u>28,406,374</u>
Total assets	<u>12,539,028</u>	<u>23,624,588</u>	<u>36,163,616</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plans	1,853,795	385,907	2,239,702
Other postemployment benefit obligation	<u>64,446</u>	<u>19,534</u>	<u>83,980</u>
Total deferred outflows of resources	<u>1,918,241</u>	<u>405,441</u>	<u>2,323,682</u>
<b>LIABILITIES</b>			
Accounts and other payables	227,448	514,419	741,867
Customers deposits payable	-	474,376	474,376
Accrued interest	-	50,592	50,592
Long-term liabilities:			
Portion due within one year -			
Capital lease payable	109,216	52,849	162,065
Bonds payable	-	588,000	588,000
Portion due after one year -			
Compensated absences payable	281,383	95,514	376,897
Capital lease payable	277,510	227,982	505,492
Bonds payable	-	9,899,000	9,899,000
Net OPEB obligation payable	859,849	260,622	1,120,471
Net pension liability	<u>5,978,398</u>	<u>1,178,362</u>	<u>7,156,760</u>
Total liabilities	<u>7,733,804</u>	<u>13,341,716</u>	<u>21,075,520</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension plans	460,637	76,999	537,636
Other postemployment benefit obligation	<u>9,031</u>	<u>2,737</u>	<u>11,768</u>
Total deferred inflows of resources	<u>469,668</u>	<u>79,736</u>	<u>549,404</u>
<b>NET POSITION</b>			
Net investment in capital assets	7,204,779	10,561,902	17,766,681
Restricted for sales tax dedications	1,073,917	-	1,073,917
Restricted for street and drainage	2,585,170	-	2,585,170
Restricted for debt service	-	375,434	375,434
Restricted for water fund operations	-	9,276	9,276
Unrestricted (deficit)	<u>(4,610,069)</u>	<u>(338,035)</u>	<u>(4,948,104)</u>
Total net position	<u>\$ 6,253,797</u>	<u>\$ 10,608,577</u>	<u>\$ 16,862,374</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Statement of Activities  
For the Year Ended June 30, 2018

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 2,272,218	\$ 387,491	\$ 291,020	-	\$ (1,593,707)	\$ -	\$ (1,593,707)
Public safety:							
Police	2,601,990	75,314	135,062	-	(2,391,614)	-	(2,391,614)
Fire	1,127,264	-	348,520	-	(778,744)	-	(778,744)
Streets	1,143,068	-	14,950	-	(1,128,118)	-	(1,128,118)
Culture and recreation	540,354	-	7,749	-	(532,605)	-	(532,605)
Interest on long-term debt	9,048	-	-	-	(9,048)	-	(9,048)
Total governmental activities	<u>7,693,942</u>	<u>462,805</u>	<u>797,301</u>	<u>-</u>	<u>(6,433,836)</u>	<u>-</u>	<u>(6,433,836)</u>
Business-type activities:							
Gas	1,696,481	1,800,939	-	-	-	104,458	104,458
Water	1,952,747	1,364,980	-	-	-	(587,767)	(587,767)
Sewer	934,039	754,769	-	998,750	-	819,480	819,480
Housing assistance	637,888	-	563,740	-	-	(74,148)	(74,148)
Total business-type activities	<u>5,221,155</u>	<u>3,920,688</u>	<u>563,740</u>	<u>998,750</u>	<u>-</u>	<u>262,023</u>	<u>262,023</u>
Total	<u>\$ 12,915,097</u>	<u>\$ 4,383,493</u>	<u>\$ 1,361,041</u>	<u>\$ 998,750</u>	<u>(6,433,836)</u>	<u>262,023</u>	<u>(6,171,813)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					731,706	515,296	1,247,002
Sales and use taxes, levied for general purposes					2,740,620	-	2,740,620
Payment in lieu of taxes					397,681	-	397,681
Franchise and chain store taxes					377,639	-	377,639
Grants and contributions not restricted to specific programs -							
State sources					18,965	-	18,965
Non-employer pension contribution					137,436	16,158	153,594
Interest and investment earnings					9,235	2,582	11,817
Miscellaneous					546,034	-	546,034
Transfers					926,547	(926,547)	-
Total general revenues and transfers					<u>5,885,863</u>	<u>(392,511)</u>	<u>5,493,352</u>
Change in net position					(547,973)	(130,488)	(678,461)
Net position - July 1, 2017, as restated					<u>6,801,770</u>	<u>10,739,065</u>	<u>17,540,835</u>
Net position - June 30, 2018					<u>\$ 6,253,797</u>	<u>\$ 10,608,577</u>	<u>\$ 16,862,374</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **MAJOR FUND DESCRIPTIONS**

### **General Fund**

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

### **Special Revenue Funds**

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

#### **1975 Sales Tax Fund**

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

#### **1984 Sales Tax Fund**

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

### **Debt Service Fund**

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

#### **P.I. Sales Tax Bonds Debt Service Fund**

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

### **Enterprise Funds**

#### **Utility Fund**

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

#### **Section 8 Housing Program**

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

CITY OF VILLE PLATTE, LOUISIANA

Balance Sheet  
Governmental Funds  
June 30, 2018

	General Fund	1975 Sales Tax Special Revenue	1984 Sales Tax Special Revenue	P. I. Sales Tax Bonds Debt Service Fund	Other Governmental Funds	Totals
<b>ASSETS</b>						
Cash and interest-bearing deposits	\$ 3,516,332	\$ 8,706	\$ 1,075,110	\$ -	\$ 98,304	\$ 4,698,452
Receivables:						
Taxes	16,405	-	-	-	-	16,405
Other	89,456	-	-	-	-	89,456
Due from other governmental units	81,518	-	-	-	6,332	87,850
Prepaid items	51,078	-	-	-	4,282	55,360
Total assets	<u>\$ 3,754,789</u>	<u>\$ 8,706</u>	<u>\$ 1,075,110</u>	<u>\$ -</u>	<u>\$ 108,918</u>	<u>\$ 4,947,523</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 112,565	\$ 1,193	\$ 1,193	\$ -	\$ 6,684	\$ 121,635
Accrued liabilities	103,456	-	-	-	2,357	105,813
Total liabilities	<u>216,021</u>	<u>1,193</u>	<u>1,193</u>	<u>-</u>	<u>9,041</u>	<u>227,448</u>
Fund balances:						
Nonspendable (prepaid items)	51,078	-	-	-	4,282	55,360
Restricted -						
Sales tax dedications	-	7,513	1,073,917	-	-	1,081,430
Street and drainage	2,585,170	-	-	-	-	2,585,170
Assigned -						
City Court operations	-	-	-	-	7,499	7,499
Capital expenditures	119,984	-	-	-	88,096	208,080
Unassigned	782,536	-	-	-	-	782,536
Total fund balances	<u>3,538,768</u>	<u>7,513</u>	<u>1,073,917</u>	<u>-</u>	<u>99,877</u>	<u>4,720,075</u>
Total liabilities and fund balances	<u>\$ 3,754,789</u>	<u>\$ 8,706</u>	<u>\$ 1,075,110</u>	<u>\$ -</u>	<u>\$ 108,918</u>	<u>\$ 4,947,523</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2018

Total fund balances for governmental funds at June 30, 2018		\$ 4,720,075
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 676,415	
Buildings, net of \$3,659,521 accumulated depreciation	4,309,726	
Infrastructure, net of \$3,230,772 accumulated depreciation	2,179,725	
Equipment, furniture and fixtures, net of \$1,315,216 accumulated depreciation	308,014	
Improvements, net of \$252,727 accumulated depreciation	<u>117,625</u>	7,591,505
Deferred outflows of expenditures for the retirement systems and OPEB obligations are not available resources and therefore, are not reported in the funds. Deferred outflows of resources at year end consist of:		
Deferred outflows related to pensions	1,853,795	
Deferred outflows related to OPEB obligations	<u>64,446</u>	1,918,241
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year end consist of:		
Capital leases payable	(386,726)	
Compensated absences payable	<u>(281,383)</u>	(668,109)
Net OPEB obligation payable		(859,849)
Net pension payable		(5,978,398)
Deferred inflows of contributions for the retirement systems and OPEB obligations are not payable from current expendable resources and, therefore, are not reported in the funds. Deferred inflows of resources at year end consist of:		
Deferred inflows related to pensions	(460,637)	
Deferred inflows related to OPEB obligations	<u>(9,031)</u>	<u>(469,668)</u>
Net position at June 30, 2018		<u>\$ 6,253,797</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Governmental Funds

For the Year Ended June 30, 2018

	General Fund	1975 Sales Tax Special Revenue	1984 Sales Tax Special Revenue	P. I. Sales Tax Bonds Debt Service Fund	Other Governmental Funds	Totals
<b>Revenues:</b>						
Taxes	\$ 1,507,026	\$ 1,370,310	\$ 1,370,310	\$ -	\$ -	\$ 4,247,646
Licenses and permits	387,491	-	-	-	-	387,491
Intergovernmental	701,430	-	-	-	114,836	816,266
Fines and forfeits	-	-	-	-	28,411	28,411
Marshall fees	-	-	-	-	46,903	46,903
Miscellaneous	539,718	51	1,813	102	13,585	555,269
Total revenues	<u>3,135,665</u>	<u>1,370,361</u>	<u>1,372,123</u>	<u>102</u>	<u>203,735</u>	<u>6,081,986</u>
<b>Expenditures:</b>						
Current -						
General government	1,273,951	38,718	76,545	-	683,752	2,072,966
Public safety:						
Police	2,442,121	-	-	-	-	2,442,121
Fire	1,052,595	-	-	-	-	1,052,595
Streets and drainage	859,440	-	-	-	-	859,440
Culture and recreation	444,307	-	-	-	-	444,307
Capital outlay	210,670	-	-	-	-	210,670
Debt service -						
Principal retirement	60,757	-	-	1,070,000	7,625	1,138,382
Interest and fiscal charges	5,361	-	-	17,465	347	23,173
Total expenditures	<u>6,349,202</u>	<u>38,718</u>	<u>76,545</u>	<u>1,087,465</u>	<u>691,724</u>	<u>8,243,654</u>
Excess (deficiency) of revenues over expenditures	<u>(3,213,537)</u>	<u>1,331,643</u>	<u>1,295,578</u>	<u>(1,087,363)</u>	<u>(487,989)</u>	<u>(2,161,668)</u>
<b>Other financing sources (uses):</b>						
Proceeds from capital lease	314,894	-	-	-	-	314,894
Transfers in	3,565,987	-	-	-	538,801	4,104,788
Transfers out	(231,471)	(1,330,410)	(1,168,498)	(447,862)	-	(3,178,241)
Total other financing sources (uses)	<u>3,649,410</u>	<u>(1,330,410)</u>	<u>(1,168,498)</u>	<u>(447,862)</u>	<u>538,801</u>	<u>1,241,441</u>
Net changes in fund balances	435,873	1,233	127,080	(1,535,225)	50,812	(920,227)
Fund balances, beginning	<u>3,102,895</u>	<u>6,280</u>	<u>946,837</u>	<u>1,535,225</u>	<u>49,065</u>	<u>5,640,302</u>
Fund balances, ending	<u>\$ 3,538,768</u>	<u>\$ 7,513</u>	<u>\$ 1,073,917</u>	<u>\$ -</u>	<u>\$ 99,877</u>	<u>\$ 4,720,075</u>

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



CITY OF VILLE PLATTE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2018

Total net change in fund balances for the year ended June 30, 2018 per statement of revenues, expenditures and changes in fund balances		\$ (920,227)
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances	\$ 210,638	
Depreciation expense	<u>(559,015)</u>	(348,377)
In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability		
		(314,894)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position		
Bond principal retirement	1,070,000	
Capital lease principal payments	<u>67,430</u>	1,137,430
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Decrease in accrued interest	15,077	
Decrease in compensated absences	5,749	
Increase in OPEB obligation payable	<u>(93,351)</u>	(72,525)
Pension (expense) benefit not requiring the use of current economic resources and therefore, not recorded as a fund expenditure		
		(222,231)
Nonemployer's contributions to the municipal, police and fire employees pension plan		
		137,436
OPEB (expense) benefit not requiring the use of current economic resources and therefore, not recorded as a fund expenditure		
		<u>55,415</u>
Change in net position for the year ended June 30, 2018 per statement of activities		<u>\$ (547,973)</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Statement of Net Position  
 Proprietary Funds - Enterprise Funds  
 June 30, 2018

	Utility Fund	Section 8 Housing Program	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 705,988	\$ 50,166	\$ 756,154
Receivables:			
Accounts, net of allowance for bad debt	337,903	-	337,903
Unbilled utility receivables	126,275	-	126,275
Ad valorem tax	11,688	-	11,688
Due from other governmental units	35,193	-	35,193
Prepaid items	19,992	-	19,992
Inventory - materials and supplies, at cost	24,822	-	24,822
Total current assets	<u>1,261,861</u>	<u>50,166</u>	<u>1,312,027</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	1,497,692	-	1,497,692
Capital assets, net of accumulated depreciation	<u>20,814,869</u>	<u>-</u>	<u>20,814,869</u>
Total noncurrent assets	<u>22,312,561</u>	<u>-</u>	<u>22,312,561</u>
Total assets	<u>23,574,422</u>	<u>50,166</u>	<u>23,624,588</u>
Deferred outflows of resources:			
Pension plans	337,389	48,518	385,907
Other postemployment benefit obligation	<u>19,534</u>	<u>-</u>	<u>19,534</u>
Total deferred outflows of resources	<u>356,923</u>	<u>48,518</u>	<u>405,441</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	61,837	-	61,837
Accrued liabilities	63,410	-	63,410
Contracts payable	389,172	-	389,172
Capital lease payable	52,849	-	52,849
Payable from restricted assets -			
Customers' deposits	474,376	-	474,376
Revenue bonds	588,000	-	588,000
Accrued interest payable	<u>50,592</u>	<u>-</u>	<u>50,592</u>
Total current liabilities	<u>1,680,236</u>	<u>-</u>	<u>1,680,236</u>
Noncurrent liabilities:			
Compensated absences payable	95,514	-	95,514
OPEB obligation	260,622	-	260,622
Net pension liability	1,029,369	148,993	1,178,362
Capital lease payable	227,982	-	227,982
Revenue bonds payable	<u>9,899,000</u>	<u>-</u>	<u>9,899,000</u>
Total noncurrent liabilities	<u>11,512,487</u>	<u>148,993</u>	<u>11,661,480</u>
Total liabilities	<u>13,192,723</u>	<u>148,993</u>	<u>13,341,716</u>
Deferred inflows of resources:			
Pension plans	67,146	9,853	76,999
Other postemployment benefit obligation	<u>2,737</u>	<u>-</u>	<u>2,737</u>
Total deferred inflows of resources	<u>69,883</u>	<u>9,853</u>	<u>79,736</u>
<b>NET POSITION</b>			
Net investment in capital assets	10,561,902	-	10,561,902
Restricted for debt service	375,434	-	375,434
Restricted for water fund operations	9,276	-	9,276
Unrestricted	<u>(277,873)</u>	<u>(60,162)</u>	<u>(338,035)</u>
Total net position	<u>\$ 10,668,739</u>	<u>\$ (60,162)</u>	<u>\$ 10,608,577</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position  
 Proprietary Funds - Enterprise Funds  
 For the Year Ended June 30, 2018

	Utility Fund	Section 8 Housing Program	Total
Operating revenues:			
Charges for services	\$ 3,685,762	\$ -	\$ 3,685,762
Connection and inspection fees	59,901	-	59,901
Federal grants	-	557,345	557,345
Other revenue	175,025	6,395	181,420
Total operating revenues	<u>3,920,688</u>	<u>563,740</u>	<u>4,484,428</u>
Operating expenses:			
Gas department expenses	1,629,154	-	1,629,154
Water department expenses	876,045	-	876,045
Sewerage department expenses	663,818	-	663,818
Housing assistance expenses	-	637,888	637,888
Depreciation expense	1,261,032	-	1,261,032
Total operating expenses	<u>4,430,049</u>	<u>637,888</u>	<u>5,067,937</u>
Operating loss	<u>(509,361)</u>	<u>(74,148)</u>	<u>(583,509)</u>
Nonoperating revenues (expenses):			
Nonemployer pension contribution	13,920	2,238	16,158
Interest income	2,501	81	2,582
Ad valorem taxes	515,296	-	515,296
Interest expense	(68,537)	-	(68,537)
Bond issue costs	(35,248)	-	(35,248)
Paying agent fees	(49,433)	-	(49,433)
Total nonoperating revenues (expenses)	<u>378,499</u>	<u>2,319</u>	<u>380,818</u>
Loss before transfers and capital contributions	<u>(130,862)</u>	<u>(71,829)</u>	<u>(202,691)</u>
Capital contributions	<u>998,750</u>	<u>-</u>	<u>998,750</u>
Income (loss) before transfers	<u>867,888</u>	<u>(71,829)</u>	<u>796,059</u>
Transfers in (out):			
Transfers in	760,368	-	760,368
Transfers out	(1,686,915)	-	(1,686,915)
Total transfers in (out)	<u>(926,547)</u>	<u>-</u>	<u>(926,547)</u>
Change in net position	<u>(58,659)</u>	<u>(71,829)</u>	<u>(130,488)</u>
Net position, beginning, as restated	<u>10,727,398</u>	<u>11,667</u>	<u>10,739,065</u>
Net position (deficit), ending	<u>\$ 10,668,739</u>	<u>\$ (60,162)</u>	<u>\$ 10,608,577</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended June 30, 2018

	Utility Fund	Section 8 Housing Program	Total
Cash flows from operating activities:			
Receipts from customers	\$ 3,749,114	\$ -	\$ 3,749,114
Operating grant	-	557,345	557,345
Payments to suppliers	(2,331,071)	(22,483)	(2,353,554)
Payments to landlords/tenants	-	(512,569)	(512,569)
Payments to employees	(827,212)	(93,422)	(920,634)
Other receipts	175,025	6,395	181,420
Net cash provided (used) by operating activities	<u>765,856</u>	<u>(64,734)</u>	<u>701,122</u>
Cash flows from noncapital financing activities:			
Cash received from other funds	(21,910)	-	(21,910)
Cash paid to other funds	121,039	-	121,039
Ad valorem taxes	515,296	-	515,296
Nonemployer pension contribution	13,920	2,238	16,158
Change in meter deposits	3,394	-	3,394
Transfers from other funds	760,368	-	760,368
Transfers to other funds	(1,686,915)	-	(1,686,915)
Net cash provided (used) by noncapital financing activities	<u>(294,808)</u>	<u>2,238</u>	<u>(292,570)</u>
Cash flows from capital and related financing activities:			
Proceeds from grant	998,750	-	998,750
Proceeds from issuance of revenue bonds	1,100,000	-	1,100,000
Principal paid on revenue bonds	(552,000)	-	(552,000)
Interest and fiscal charges	(151,335)	-	(151,335)
Principal paid on note payable	(50,554)	-	(50,554)
Proceeds from capital lease	280,831	-	280,831
Principal paid on capital lease	(3,133)	-	(3,133)
Acquisition of capital assets	(2,343,305)	-	(2,343,305)
Net cash used by capital and related financing activities	<u>(720,746)</u>	<u>-</u>	<u>(720,746)</u>
Cash flows from investing activities:			
Interest on investments	<u>2,501</u>	<u>81</u>	<u>2,582</u>
Net decrease in cash and cash equivalents	(247,197)	(62,415)	(309,612)
Cash and cash equivalents, beginning of period	<u>2,450,877</u>	<u>112,581</u>	<u>2,563,458</u>
Cash and cash equivalents, end of period	<u>\$ 2,203,680</u>	<u>\$ 50,166</u>	<u>\$ 2,253,846</u>

(continued)

CITY OF VILLE PLATTE, LOUISIANA

Statement of Cash Flows  
 Proprietary Funds (Continued)  
 For the Year Ended June 30, 2018

	Utility Fund	Section 8 Housing Program	Total
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating loss	\$ (509,361)	\$ (74,148)	\$ (583,509)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	1,261,032	-	1,261,032
Changes in current assets and liabilities:			
Accounts receivable	(3,451)	-	(3,451)
Provision for bad debt	13,688	-	13,688
Unbilled utility receivables	6,090	-	6,090
Other receivables	(6,486)	-	(6,486)
Due from other governmental units	76,097	-	76,097
Inventory	(3,968)	-	(3,968)
Prepaid items	3,521	-	3,521
Deferred outflows of resources	52,215	11,534	63,749
Accounts payable	(21,255)	-	(21,255)
Accrued liabilities	(43,337)	-	(43,337)
Contracts/retainage payable	(69,374)	-	(69,374)
Compensated absences payable	(7,399)	-	(7,399)
OPEB obligation	28,295	-	28,295
Net pension liability	(41,577)	(6,684)	(48,261)
Deferred inflows of resources	31,126	4,564	35,690
Net cash provided (used) by operating activities	<u>\$ 765,856</u>	<u>\$ (64,734)</u>	<u>\$ 701,122</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position:			
Cash and cash equivalents, beginning of period -			
Cash and interest-bearing deposits - unrestricted	\$ 346,063	\$ 112,581	\$ 458,644
Cash and interest-bearing deposits - restricted	<u>2,104,814</u>	<u>-</u>	<u>2,104,814</u>
Total cash and cash equivalents	<u>2,450,877</u>	<u>112,581</u>	<u>2,563,458</u>
Cash and cash equivalents, end of period -			
Cash and interest-bearing deposits - unrestricted	705,988	50,166	756,154
Cash and interest-bearing deposits - restricted	<u>1,497,692</u>	<u>-</u>	<u>1,497,692</u>
Total cash and cash equivalents	<u>2,203,680</u>	<u>50,166</u>	<u>2,253,846</u>
Net decrease	<u>\$ (247,197)</u>	<u>\$ (62,415)</u>	<u>\$ (309,612)</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

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

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

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

The major funds of the City are described below:

Governmental Funds -

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

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

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

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

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Proprietary Funds -

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

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

#### C. Measurement Focus/Basis of Accounting

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

##### Measurement Focus

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

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

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



## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Basis of Accounting

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

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

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

#### Program revenues

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

#### Allocation of indirect expenses

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

#### Use of Restricted Resources

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Cash and interest-bearing deposits

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

Interfund receivables and payables

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include franchise taxes and state or federal grants. Business-type activities report customer’s utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2018, an allowance for ad valorem taxes was considered unnecessary due to immateriality. The allowance for uncollectibles for customers’ utility receivables was \$372,542 at June 30, 2018. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items. The City utilizes the consumption method to account for prepaid items.

Inventories

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital Assets

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

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

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

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

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

Compensated Absences

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

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

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

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

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

#### Restricted Assets

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

#### Long-term debt

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

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

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

#### Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At June 30, 2018, the City's deferred outflows and inflows of resources are attributable to its pension plans and other post-employment benefits.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Equity Classifications

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

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

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

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

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

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

G. Use of Estimates

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

H. Capitalization of Interest Expense

It is the policy of the City of Ville Platte to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. During the year, the City incurred interest costs totaling \$297,094 of which \$228,557 was capitalized.

(2) Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2018, the City has cash and interest-bearing deposits (book balances) totaling \$6,952,298 as follows:

Demand deposits (interest and non-interest bearing)	\$ 6,011,926
Savings and certificates of deposit	<u>940,372</u>
Total	<u>\$ 6,952,298</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2018, were secured as follows:

Bank balances	<u>\$ 7,432,265</u>
Federal deposit insurance	\$ 1,192,906
Pledged securities	<u>6,239,359</u>
Total	<u>\$ 7,432,265</u>

Deposits in the amount of \$6,239,359 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the City's name. The City does not have a policy for custodial credit risk.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Receivables

Receivables at June 30, 2018 of \$581,727 consist of the following:

	Governmental Activities	Business-type Activities	Total
Accounts	\$ -	\$ 337,903	\$ 337,903
Unbilled utility	-	126,275	126,275
Ad valorem taxes	16,405	11,688	28,093
Franchise tax	89,456	-	89,456
Totals	<u>\$ 105,861</u>	<u>\$ 475,866</u>	<u>\$ 581,727</u>

(4) Due from Other Governmental Units

Amounts due from other governmental units consisted of the following at June 30, 2018:

Governmental Activities:		
Evangeline Parish Ward One Fire District No. 2 for fire protection services		\$ 19,919
Fire Insurance Rebate		35,655
State of Louisiana Inmate Housing		13,293
State of Louisiana Highway Maintenance		7,475
State of Louisiana for beer tax		5,176
Fines and forfeits		2,424
Salaries reimbursement		3,908
Total governmental activities		87,850
Business-type Activities:		
LDHH - Drinking Water Revolving Loan Fund Program		35,193
Total		<u>\$ 123,043</u>

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

Restricted assets consisted of the following at June 30, 2018:

Bond and interest sinking fund	\$ 22
Bond reserve fund	712,123
Renewal and replacement fund	301,881
Customers' deposits	474,376
Phase II water construction	14
Water improvement taxes	9,276
	<u>\$ 1,497,692</u>



CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance 7/1/2017	Additions	Deletions	Balance 6/30/2018
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 676,415	\$ -	\$ -	\$ 676,415
Other capital assets:				
Buildings	7,980,166	-	10,919	7,969,247
Infrastructure	5,314,782	-	5,670	5,309,112
Equipment, furniture and fixtures	1,521,768	210,638	7,790	1,724,616
Improvements other than buildings	371,951	-	1,600	370,351
Totals	<u>15,865,082</u>	<u>210,638</u>	<u>25,979</u>	<u>16,049,741</u>
Less accumulated depreciation				
Buildings	3,470,577	199,863	10,919	3,659,521
Infrastructure	3,024,796	211,646	5,670	3,230,772
Equipment, furniture and fixtures	1,190,075	132,931	7,790	1,315,216
Improvements other than buildings	239,752	14,575	1,600	252,727
Total accumulated depreciation	<u>7,925,200</u>	<u>559,015</u>	<u>25,979</u>	<u>8,458,236</u>
Governmental activities, capitals assets, net	<u>\$ 7,939,882</u>	<u>\$ (348,377)</u>	<u>\$ -</u>	<u>\$ 7,591,505</u>

	Balance 7/1/2017	Additions	Deletions	Balance 6/30/2018
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 101,325	\$ -	\$ -	\$ 101,325
Construction in progress	4,971,549	2,343,304	7,314,853	-
Other capital assets:				
Gas system	3,926,868	-	-	3,926,868
Water system	17,518,757	6,163,845	-	23,682,602
Sewer system	11,356,674	1,151,009	-	12,507,683
Machinery and equipment	396,971	-	-	396,971
Totals	<u>38,272,144</u>	<u>9,658,158</u>	<u>7,314,853</u>	<u>40,615,449</u>
Less accumulated depreciation				
Gas system	3,674,610	64,027	-	3,738,637
Water system	8,200,747	901,611	-	9,102,358
Sewer system	6,366,862	258,293	-	6,625,155
Machinery and equipment	297,329	37,101	-	334,430
Total accumulated depreciation	<u>18,539,548</u>	<u>1,261,032</u>	<u>-</u>	<u>19,800,580</u>
Business-type activities, capital assets, net	<u>\$ 19,732,596</u>	<u>\$ 8,397,126</u>	<u>\$ 7,314,853</u>	<u>\$ 20,814,869</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 73,259
Police	131,661
Fire	25,526
Streets	255,268
Culture and recreation	<u>73,301</u>
Total depreciation expense	<u>\$ 559,015</u>

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

Gas	\$ 67,327
Water	923,484
Sewer	<u>270,221</u>
Total depreciation expense	<u>\$ 1,261,032</u>

(7) Ad Valorem Taxes

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

For the year ended June 30, 2018, taxes of 35.22 mills were levied on property with assessed valuations totaling \$35,933,610 and were dedicated as follows:

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

Total taxes levied were \$1,265,593. Taxes receivable at June 30, 2018 were \$28,903.

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

A one percent sales and use tax levied by the City in 1975 (2018 collections \$1,370,310) is dedicated to the following purposes:

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

A one percent sales and use tax levied by the City beginning in 1984 (2018 collections \$1,370,310) is dedicated to these purposes:

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

(9) Accounts, Salaries, and Other Payables

The accounts and other payables consisted of the following at June 30, 2018:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 121,635	\$ 61,837	\$ 183,472
Other liabilities	105,813	63,410	169,223
Contracts payable	-	<u>389,172</u>	<u>389,172</u>
Totals	<u>\$ 227,448</u>	<u>\$ 514,419</u>	<u>\$ 741,867</u>

(10) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions for the year ended June 30, 2018:

	<u>Balance 7/1/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2018</u>	<u>Amount due in one year</u>
Governmental activities:					
General obligation	\$ 1,070,000	\$ -	\$ 1,070,000	\$ -	\$ -
Capital leases	139,262	314,894	67,430	386,726	109,216
Compensated absences	<u>287,132</u>	-	<u>5,749</u>	<u>281,383</u>	-
Total	<u>\$ 1,496,394</u>	<u>\$ 314,894</u>	<u>\$ 1,143,179</u>	<u>\$ 668,109</u>	<u>\$ 109,216</u>
Business-type activities:					
Revenue bonds	\$ 9,939,000	\$ 1,100,000	\$ 552,000	\$ 10,487,000	\$ 588,000
Note payable	50,554	-	50,554	-	-
Capital leases	3,133	280,831	3,133	280,831	52,849
Compensated absences	<u>102,913</u>	-	<u>7,399</u>	<u>95,514</u>	-
Total	<u>\$ 10,095,600</u>	<u>\$ 1,380,831</u>	<u>\$ 613,086</u>	<u>\$ 10,863,345</u>	<u>\$ 640,849</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Bonds payable at June 30, 2018 are comprised of the following individual issues:

Revenue bonds:

\$2,000,000 Utilities Revenue Bonds, Series 2010A, of which 50% of the principal of the bonds have been forgiven simultaneously with payments by the Department of Health & Hospitals. At the time of the debt forgiveness, these amounts were recognized as grant revenue. The remaining \$1,000,000 revenue bonds are due in annual installments of \$54,000 - \$79,000 through May 1, 2029; interest at 2.95 percent; secured by Utility Fund revenues and ad valorem taxes of 14.67 mills.	\$ 737,000
\$2,050,000 Utilities Revenue Bonds, Series 2010B, due in annual installments of \$112,000 - \$162,000 through May 1, 2029; interest at 2.95 percent; secured by Utility Fund revenues and ad valorem taxes of 14.67 mills.	1,516,000
\$9,450,000 Utilities Revenue Bonds, Series 2012, of which \$1,125,000 of the principal of the bonds have been forgiven simultaneously with payments by the Department of Health & Hospitals. At the time of the debt forgiveness, these amounts were recognized as grant revenue. The remaining \$8,248,000 revenue bonds are due in annual installments of \$339,000 - \$563,000 through May 1, 2033; interest at 2.95 percent; secured by Utility Fund revenues and ad valorem taxes of 14.67 mills.	7,159,000
\$1,100,000 Utilities Revenue Bonds, Series 2017, due in annual installments of \$44,000 - \$69,000 through May 1, 2037; interest at 2.45%; secured by Utility Fund revenues and ad valorem taxes of 14.67 mills.	<u>1,075,000</u>
	<u>\$ 10,487,000</u>

The bonds are due as follows:

Year ending <u>June 30,</u>	Business-type Activities	
	Principal	Interest
2019	\$ 588,000	\$ 303,551
2020	608,000	286,424
2021	630,000	268,714
2022	650,000	250,363
2023	673,000	231,429
2024-2028	3,717,000	849,619
2029-2033	3,338,000	315,189
2034-2037	<u>283,000</u>	<u>16,439</u>
	<u>\$ 10,487,000</u>	<u>\$ 2,521,728</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's governmental activities column of the statement of net position. As of June 30, 2018, there remained a balance of \$825,000 of defeased sales tax bonds, which were removed from the statement of net position.

The City is obligated under five capital leases. The leased assets are recorded in capital assets at \$358,196 (net of accumulated depreciation of \$306,416) and the applicable debt recorded in long-term debt. The General Fund has \$119,984 in capital lease proceeds on hold pending delivery of vehicles. The Utility Fund has \$280,831 in capital lease proceeds on hold pending delivery of vehicles. Those vehicles will be delivered during the year ending June 30, 2019 and will be recorded in capital assets at that time. The following is a schedule of future minimum lease payments under the lease and the present value of the net minimum lease payments at June 30, 2018.

Fiscal Year	Governmental Activities	Business-type Activities	Total
2019	\$ 120,783	\$ 61,380	\$ 182,163
2020	91,019	61,380	152,399
2021	68,825	61,380	130,205
2022	68,825	61,380	130,205
2023	68,826	61,380	130,206
Total minimum lease payments	418,278	306,900	725,178
Less amount representing interest	(31,552)	(26,069)	(57,621)
Present value of minimum lease payments	<u>\$ 386,726</u>	<u>\$ 280,831</u>	<u>\$ 667,557</u>

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

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

Bond and Interest Sinking Fund -

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Reserve Fund –

The Utilities Revenue Bond Reserve Fund is maintained solely for the purpose of paying the principal of and the interest on bonds payable from the sinking fund as to which there would otherwise be default. The fund is required to be funded in an amount equal to the reserve fund requirement (\$435,577) at June 30, 2018).

Capital Additions and Contingencies Fund -

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

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

(12) On-behalf Payments for Salaries

The City of Ville Platte receives on-behalf payments from the State of Louisiana for police, fire and city marshal salaries. On-behalf payments to the City totaled \$215,267 for the fiscal year end June 30, 2018. Such payments are recorded as intergovernmental revenues and as public safety and general government expenditures in the General Fund and City Court Fund financial statements and as program revenues in the government-wide statement of activities.

(13) Pension Plans

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

**Plan Descriptions:**

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

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

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

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

<sup>1</sup> With actuarial reduced benefits

<sup>2</sup> Membership commencing January 1, 2013

<sup>3</sup> Under non hazardous duty sub plan commencing January 1, 2013

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

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

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

<sup>7</sup> Members in regular plan 2.5%, hazardous duty plan 3.33%, and judges 3.5%

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

**Contributions**

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. In addition, MERS receives a percentage of ad valorem taxes collected by parishes. These entities are not participating employers in the pension systems and are considered to be nonemployer contributing entities. Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2018 for the defined benefit pension plans in which the primary government is a participating employer were as follows:

Plan	Active Member Contribution Percentage	Employer Contribution Percentage	Amount from Nonemployer Contributing Entities	Amount of Government Contributions
MERS	9.50%	24.75%	\$ 48,117	\$ 345,322
MPERS	10.00%	30.75%	\$ 54,804	\$ 247,796
FRS	10.00%	26.50%	\$ 50,673	\$ 132,879
LASERS	13.00%	39.60%	\$ -	\$ 23,337

**Net Pension Liability**

The City's net pension liability at June 30, 2018 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2017) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability for each of the plans in which it participates was based on the City's required contributions in proportion to total required contributions for all employers.

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

Plan	Proportionate Share of Net Pension Liability	Proportionate Share (%) of Net Pension Liability	Increase/(Decrease) from Prior Measurement Date
MERS	\$3,270,395	0.781751%	-0.051223%
MPERS	2,506,339	0.287081%	0.049220%
FRS	1,147,533	0.200203%	0.000183%
LASERS	232,493	0.003300%	0.000090%
Total	<u>\$7,156,760</u>		

Since the measurement date of the net pension liability was June 30, 2017, the net pension liability is based upon fiduciary net position for each of the plans as of that date. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial reports for fiscal year 2017. The financial report for each plan may be accessed on their website as follows:



CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

**Actuarial Assumptions**

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

	MERS	MPERS	FRS	LASERS
Date of experience study on which significant assumptions are based	7/1/2009 - 6/30/2014	7/1/2009 - 6/30/2014	7/1/2009 - 6/30/2014	2009 - 2013
Expected remaining service lives	3	4	7	3
Inflation Rate	2.775%	2.700%	2.775%	3.0%
Projected salary increases	5.0%	4.25% - 9.75%	4.75% - 15.0%	4.0% - 14.5%
Projected benefit changes including COLAs	None	None	None	None
Source of mortality assumptions	(1), (2), (3)	(3), (4), (5)	(3), (6)	(7), (8)

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

**Cost of Living Adjustments**

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

**Discount Rate**

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

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>
Discount rate	7.40%	7.325%	7.40%	7.70%
Change in discount rate from prior valuation	-0.10%	-0.175%	-0.10%	-0.05%
Plan cash flow assumptions	(1)	(1)	(1)	(1)
Rates incorporated in the Discount Rate:				
Long-term Rate of Return	7.40%	7.325%	7.40%	7.70%
Periods applied	All	All	All	All
Municipal Bond Rate	N/A	N/A	N/A	N/A

\*Plan Cash Flow Assumptions:

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

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

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Asset Class	MERS		MPERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	35%	1.60%	21%	0.52%
Equities	50%	2.30%	53%	3.66%
Alternative Investments	15%	0.70%	20%	1.10%
Other	-		6%	0.16%
Total	<u>100%</u>	<u>4.60%</u>	<u>100%</u>	<u>5.44%</u>
Inflation		<u>2.60%</u>		<u>2.75%</u>
Nominal return		<u>7.20%</u>		<u>8.19%</u>

Asset Class	FRS		LASERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	23%	2.04%	-	-
Domestic Fixed Income	-	-	8%	1.73%
International Fixed Income	-	-	6%	2.49%
Equities	57%	20.45%	-	-
Domestic Equity	-	-	25%	4.31%
International Equity	-	-	32%	5.35%
Global Tactical Asset Allocation	-	-	7%	2.84%
Alternative Investments	10%	13.35%	22%	7.41%
Other	10%	9.19%	-	-0.24%
Total	<u>100%</u>		<u>100%</u>	

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2018, the City recognized \$1,055,698 in pension expense related to all defined benefit plans in which it participates. MERS recognized revenues in the amount of \$48,117 in ad valorem taxes collected from non-employee contributing entities. The pension expense and revenues are summarized by plan in the following table:

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Plan	Pension Expense	Revenues
MERS	\$ 595,871	\$ 48,117
MPERS	266,760	-
FRS	173,692	-
LASERS	19,375	-
	<u>\$1,055,698</u>	<u>\$ 48,117</u>

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 16,411	\$ 187,126
Change of assumptions	281,938	274
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	316,538	350,236
Net differences between projected and actual earnings on plan investments	875,481	-
Contributions subsequent to the measurement date	749,334	-
Total	<u>\$ 2,239,702</u>	<u>\$ 537,636</u>

Deferred outflows of resources of \$749,334 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended June 30:	
2019	\$ 300,715
2020	441,692
2021	320,477
2022	(89,999)
2023	(22,934)
2024	2,781
	<u>\$ 952,732</u>

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

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	7.40%	\$4,167,569	\$3,270,395	\$2,505,128
MPERS	7.325%	3,462,748	2,506,339	1,703,980
FRS	7.40%	1,648,961	1,147,533	726,011
LASERS	7.70%	291,868	232,493	182,009
Total		<u>\$9,571,146</u>	<u>\$7,156,760</u>	<u>\$5,117,128</u>

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

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

**General Information about the OPEB Plan**

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

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

**Employees Covered by Benefit Terms:** At June 30, 2018 the following employees were covered by the benefit terms –

Inactive employees currently receiving benefits payments	10
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>86</u>
	<u>96</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

**Total OPEB Liability**

The City's total OPEB liability of \$1,120,471 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age
Inflation	2.30%
Salary increases, including inflation	3.00%
Discount rate	3.87%
Health care cost trend rates	
Medical	3.90% for 2017, varying gradually until an ultimate rate of 4.1% for 2078 and beyond.

The discount rate was based on the Bond Buyer's 20-year bond general obligation index.

Mortality rates for active employees were based on the RP-2014 Healthy Annuitant Table for males with Mortality Improvement Scale MP-2017.

Mortality rates for retirees and surviving spouses were based on the RP-2014 Healthy Annuitant Table for males with Mortality Improvement Scale MP-2017.

**Changes in the Total OPEB Liability**

The following presents changes in the total OPEB liability.

Balance at 6/30/2017	<u>\$ 998,825</u>
Changes for the year:	
Service cost	74,810
Interest	46,767
Effect of economic/demographic gains or losses	91,536
Effect of assumptions changes or inputs	(12,827)
Benefit payments	<u>(78,640)</u>
Net changes	<u>121,646</u>
Balance at 6/30/2018	<u>\$ 1,120,471</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.87 percent) or one percentage point higher (4.87 percent) than the current discount rate:

	1% Decrease <u>2.87%</u>	Discount Rate <u>3.87%</u>	1% Increase <u>4.87%</u>
Tota OPEB liability	<u>\$ 1,206,376</u>	<u>\$ 1,120,471</u>	<u>\$ 1,042,475</u>

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

	1% Decrease <u>                    </u>	Discount Rate <u>                    </u>	1% Increase <u>                    </u>
Tota OPEB liability	<u>\$ 1,042,689</u>	<u>\$ 1,120,471</u>	<u>\$ 1,212,389</u>

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

For the year ended June 30, 2018, the City recognized an OPEB expense of \$586,831. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 83,980	\$ -
Change of assumptions or other inputs	<u>-</u>	<u>11,768</u>
Total	<u>\$ 83,980</u>	<u>\$ 11,768</u>

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

<u>Year Ended June 30,</u>	
2019	\$ 6,497
2020	6,497
2021	6,497
2022	6,497
2023	6,497
Thereafter	<u>39,727</u>
	<u>\$ 72,212</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(15) Enterprise Fund Contracts

The City purchases its natural gas from Louisiana Municipal Natural Gas Purchasing and Distribution Authority, under a contract commencing December 23, 2012. The contract shall continue for successive periods of one year unless terminated by either party upon at least six months prior written notice. The City purchased natural gas during fiscal year ended June 30, 2018 in the amount of \$703,640, of which \$33,981 was owed for purchases for the month of June 2018.

(16) Departmental Information for the Enterprise Fund

The City of Ville Platte maintains one enterprise fund with three departments which provide gas, water, and sewerage services. Departmental information for the year ended June 30, 2018 was as follows:

	<u>Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating revenues	\$ 1,800,939	\$ 1,364,980	\$ 754,769	\$ 3,920,688
Operating expenses:				
Depreciation	67,327	923,484	270,221	1,261,032
Other	1,629,154	876,045	663,818	3,169,017
Total operating expenses	<u>1,696,481</u>	<u>1,799,529</u>	<u>934,039</u>	<u>4,430,049</u>
Operating income (loss)	<u>\$ 104,458</u>	<u>\$ (434,549)</u>	<u>\$ (179,270)</u>	<u>\$ (509,361)</u>

(17) Compensation of City Officials

A detail of compensation paid to the Board of Aldermen for the year ended June 30, 2018 follows:

C.J. Dardeau	\$ 13,500
Bryant Briggs	14,040
Freddie Jack	13,500
Jerry Joseph	13,500
Donald Sam	13,500
Michael Perron	<u>14,094</u>
	<u>\$ 82,134</u>

(18) Risk Management

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



CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

A detail of compensation, benefits, and other payments paid to the Mayor, Jennifer Vidrine, for the year ended June 30, 2018 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 70,000
Per diem	1,500
Expense allowance	6,000
Phone allowance	1,500
Benefits - insurance	5,259
Benefits - retirement	19,181
Registration fees	1,900
Conference lodging	3,572
Travel and air fare	2,165
Meals	2,241
	<u>\$ 113,318</u>

(20) Interfund Transactions

Transfers consisted of the following at June 30, 2018:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 3,565,987	\$ 231,471
Special Revenue Funds:		
1975 Sales Tax	-	1,330,410
1984 Sales Tax	-	1,168,498
P.I. Sales Tax Bonds Debt Service Fund	-	447,862
Nonmajor governmental funds	538,801	-
Proprietary fund - Utility Fund	<u>760,368</u>	<u>1,686,915</u>
Total	<u>\$ 4,865,156</u>	<u>\$ 4,865,156</u>

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(21) Deficit in Individual Fund

The Section 8 Housing program enterprise fund reflected a deficit fund balance in the amount of \$60,162 at June 30, 2018. This deficit was the result of recording the net pension liability in accordance with GASB Statement No. 68.

(22) Pending Litigation

At June 30, 2018, the City of Ville Platte was a defendant in several lawsuits. The City's legal counsel has reviewed the claims and lawsuits, in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City not covered by insurance. As a result of the review, there are no claims and lawsuits which might result in a liability to the City which are not considered coverable by insurance or which would have a material adverse effect on the City's financial position.

(23) Prior Period Adjustment

During the current fiscal year, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense. This statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*. The implementation resulted in a restatement of previously reported net position as follows:

	Government-Wide		Fund
	Financial Statements		Financial Statements
	Governmental	Business-type	Utility Fund
	Activities	Activities	Enterprise Fund
July 1, 2017, net position, as previously reported	\$7,292,071	\$10,910,394	\$10,898,727
Change in accounting principle:			
Net effect of recording total OPEB liability	<u>(490,301)</u>	<u>(171,329)</u>	<u>(171,329)</u>
July 1, 2017 net position, as restated	<u>\$6,801,770</u>	<u>\$10,739,065</u>	<u>\$10,727,398</u>

(24) Reissuance of Independent Auditor's Report

Subsequent to the issuance of the Financial Report of the City of Ville Platte, Louisiana for the year ended June 30, 2018, it was determined that certain required information was omitted from the Independent Auditor's Report. Upon discovering this, the Independent Auditor's Report was modified to include the required information.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>Revenues:</b>				
Taxes	\$ 1,482,541	\$ 1,519,418	\$ 1,507,026	\$ (12,392)
Licenses and permits	328,571	342,351	387,491	45,140
Intergovernmental	3,699,311	642,816	701,430	58,614
Miscellaneous	913,508	544,840	539,718	(5,122)
Total revenues	<u>6,423,931</u>	<u>3,049,425</u>	<u>3,135,665</u>	<u>86,240</u>
<b>Expenditures:</b>				
Current -				
General government	1,124,208	1,371,556	1,273,951	97,605
Public safety:				
Police	2,061,311	2,347,155	2,442,121	(94,966)
Fire	1,003,653	990,257	1,052,595	(62,338)
Streets and drainage	810,142	831,825	859,440	(27,615)
Culture and recreation	438,716	453,187	444,307	8,880
Capital outlay	3,291,000	327,035	210,670	116,365
Debt service	72,000	105,790	66,118	39,672
Total expenditures	<u>8,801,030</u>	<u>6,426,805</u>	<u>6,349,202</u>	<u>77,603</u>
Deficiency of revenues over expenditures	<u>(2,377,099)</u>	<u>(3,377,380)</u>	<u>(3,213,537)</u>	<u>163,843</u>
<b>Other financing sources (uses):</b>				
Proceeds from capital lease	-	314,894	314,894	-
Transfers in	3,862,672	3,401,286	3,565,987	164,701
Transfers out	(261,986)	(272,971)	(231,471)	41,500
Total other financing sources (uses)	<u>3,600,686</u>	<u>3,443,209</u>	<u>3,649,410</u>	<u>206,201</u>
Net change in fund balance	1,223,587	65,829	435,873	370,044
Fund balance, beginning	<u>3,102,895</u>	<u>3,102,895</u>	<u>3,102,895</u>	<u>-</u>
Fund balance, ending	<u>\$ 4,326,482</u>	<u>\$ 3,168,724</u>	<u>\$ 3,538,768</u>	<u>\$ 370,044</u>

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

Budgetary Comparison Schedule  
For the Year Ended June 30, 2018

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,406,348	\$ 1,366,949	\$ 1,370,310	\$ 3,361
Miscellaneous	35	33	51	18
Total revenues	<u>1,406,383</u>	<u>1,366,982</u>	<u>1,370,361</u>	<u>3,379</u>
Expenditures:				
Current -				
General government:				
Professional fees	13,515	13,362	13,588	(226)
Sales tax collection fees	4,800	25,130	25,130	-
Total expenditures	<u>18,315</u>	<u>38,492</u>	<u>38,718</u>	<u>(226)</u>
Excess of revenues over expenditures	<u>1,388,068</u>	<u>1,328,490</u>	<u>1,331,643</u>	<u>3,153</u>
Other financing sources (uses):				
Transfers from (to) other funds -				
General Fund	(1,173,322)	(1,187,310)	(1,205,410)	(18,100)
City Court Fund	(118,100)	(75,600)	(63,000)	12,600
Utility Fund	(97,800)	(69,400)	(62,000)	7,400
Total other financing sources (uses)	<u>(1,389,222)</u>	<u>(1,332,310)</u>	<u>(1,330,410)</u>	<u>1,900</u>
Net change in fund balance	(1,154)	(3,820)	1,233	5,053
Fund balance, beginning	<u>6,280</u>	<u>6,280</u>	<u>6,280</u>	<u>-</u>
Fund balance, ending	<u>\$ 5,126</u>	<u>\$ 2,460</u>	<u>\$ 7,513</u>	<u>\$ 5,053</u>

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

Budgetary Comparison Schedule  
For the Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$ 1,406,348	\$ 1,366,949	\$ 1,370,310	\$ 3,361
Miscellaneous	862	1,358	1,813	455
Total revenues	<u>1,407,210</u>	<u>1,368,307</u>	<u>1,372,123</u>	<u>3,816</u>
Expenditures:				
Current -				
General government:				
Professional fees	13,515	20,512	14,018	6,494
Sales tax collection fees	4,800	25,130	25,130	-
Streets and drainage:				
Street repairs and overlay	-	-	37,397	(37,397)
Total expenditures	<u>18,315</u>	<u>45,642</u>	<u>76,545</u>	<u>(30,903)</u>
Excess of revenues over expenditures	<u>1,388,895</u>	<u>1,322,665</u>	<u>1,295,578</u>	<u>(27,087)</u>
Other financing uses:				
Transfers to -				
General Fund	(1,268,400)	(564,229)	(470,130)	94,099
Utility Fund	(54,000)	(823,548)	(698,368)	125,180
P. I. Sales Tax Bonds Debt Service	(300,000)	-	-	-
Total other financing uses	<u>(1,622,400)</u>	<u>(1,387,777)</u>	<u>(1,168,498)</u>	<u>219,279</u>
Net change in fund balance	(233,505)	(65,112)	127,080	192,192
Fund balance, beginning	<u>946,837</u>	<u>946,837</u>	<u>946,837</u>	<u>-</u>
Fund balance, ending	<u>\$ 713,332</u>	<u>\$ 881,725</u>	<u>\$ 1,073,917</u>	<u>\$ 192,192</u>

City of Ville Platte  
Ville Platte, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios  
For the Year Ended June 30, 2018

	2018
<b>Total OPEB Liability</b>	
Service cost	\$ 74,810
Interest on total OPEB liability	46,767
Effect of economic/demographic gains or losses	91,536
Effect of assumptions changes or inputs	(12,827)
Benefit payments	(78,640)
Net change in OPEB liability	121,646
Total OPEB liability, beginning	998,825
Total OPEB liability, ending	\$1,120,471
Covered payroll	\$2,779,763
Total OPEB liability as a percentage of covered payroll	40.31%

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

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2018

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

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



CITY OF VILLE PLATTE, LOUISIANA

Schedule of Employer Contributions  
For the Year Ended June 30, 2018

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

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

CITY OF VILLE PLATTE, LOUISIANA

Notes to the Required Supplementary Information  
For the Year Ended June 30, 2018

(1) Budgets and Budgetary Accounting

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

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

(2) Excess of Expenditures Over Appropriations

The following funds incurred expenditures in excess of appropriations for the year ended June 30, 2018:

1975 Sales Tax Special Revenue Fund	\$ 226
1984 Sales Tax Special Revenue Fund	\$ 30,903

(3) Pension Plan

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

(continued)

CITY OF VILLE PLATTE, LOUISIANA

Notes to the Required Supplementary Information (Continued)  
For the Year Ended June 30, 2018

(4) OPEB Plan

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

Changes of Assumptions – Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017 – 4.00%

2018 – 3.87%

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

**OTHER FINANCIAL INFORMATION**

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Taxes:</b>				
Ad valorem	\$ 243,225	\$ 256,323	\$ 250,769	\$ (5,554)
Street and drainage maintenance	384,300	401,493	342,888	(58,605)
Police and fire tax	154,906	161,616	138,049	(23,567)
PILOT - Housing Authority	36,358	37,649	31,449	(6,200)
Franchise - utility companies	372,514	375,394	377,639	2,245
Utility Fund - payment in lieu of taxes	286,943	286,943	366,232	79,289
Chain store	4,295	-	-	-
	<u>1,482,541</u>	<u>1,519,418</u>	<u>1,507,026</u>	<u>(12,392)</u>
<b>Licenses and permits:</b>				
Occupational licenses	317,653	336,095	380,292	44,197
Building permits	7,065	5,139	5,911	772
Electrical permits	3,828	1,042	1,213	171
House moving permits	25	75	75	-
	<u>328,571</u>	<u>342,351</u>	<u>387,491</u>	<u>45,140</u>
<b>Intergovernmental:</b>				
State of Louisiana -				
Beer tax	21,052	19,109	18,965	(144)
Evangeline Council on Aging	159,490	175,350	176,184	834
State grants	1,887,000	1,314	20,745	19,431
Fire insurance rebate	35,000	39,000	35,655	(3,345)
Highway maintenance	8,875	17,850	14,950	(2,900)
Fire salary reimbursement	230,699	236,693	237,348	655
On-behalf payments	150,000	150,000	197,583	47,583
Federal -				
Grants	1,170,000	3,500	-	(3,500)
Summer food service program	37,195	-	-	-
	<u>3,699,311</u>	<u>642,816</u>	<u>701,430</u>	<u>58,614</u>
<b>Miscellaneous:</b>				
Rental income -				
Gas department	13,450	15,000	15,000	-
Park and civic center	37,460	34,270	33,695	(575)
Section 8 rent	7,050	11,592	7,800	(3,792)
Swamp Pop revenues	14,347	12,766	12,994	228
Interest income	6,926	6,748	7,127	379
Inmate housing	-	-	48,324	48,324
Law enforcement revenue	16,819	71,420	14,636	(56,784)
Local grants	425,500	-	-	-
Insurance claims	-	12,458	12,458	-
Archon fees	57,235	22,637	58,280	35,643
Ville Platte Boys and Girls Club	-	-	25,453	25,453
Other sources	334,721	357,949	303,951	(53,998)
	<u>913,508</u>	<u>544,840</u>	<u>539,718</u>	<u>(5,122)</u>
<b>Total revenues</b>	<u>\$ 6,423,931</u>	<u>\$ 3,049,425</u>	<u>\$ 3,135,665</u>	<u>\$ 86,240</u>

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2018

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
General government:				
Executive -				
Mayor salary	\$ 80,201	\$ 80,141	\$ 79,000	\$ 1,141
Council salaries	84,334	83,056	82,134	922
Retirement	22,517	22,508	22,151	357
Medicare taxes	6,451	6,445	6,347	98
Payroll taxes	175	175	100	75
Group insurance	26,264	21,730	21,291	439
Dues and conventions	30,567	25,903	22,142	3,761
Miscellaneous	-	305	312	(7)
Total executive	<u>250,509</u>	<u>240,263</u>	<u>233,477</u>	<u>6,786</u>
Administrative -				
Salaries	310,832	317,844	315,469	2,375
Contract services	4,640	-	-	-
Utilities	23,542	36,322	32,512	3,810
Telephone	5,926	11,152	11,515	(363)
Insurance	57,320	42,714	40,879	1,835
Workman's compensation	2,707	2,629	2,731	(102)
Advertising and publicity	7,000	20,795	18,283	2,512
Group insurance	47,507	54,197	56,837	(2,640)
Office expenditures	22,000	14,600	14,376	224
Professional fees	60,190	215,136	191,918	23,218
Repairs and maintenance	25,960	42,157	32,871	9,286
Supplies	6,413	40,180	24,977	15,203
Gas and oil	485	559	459	100
Evangeline Council on Aging	154,399	215,324	176,184	39,140
Dues, conventions and travel	17,911	17,260	15,144	2,116
Chamber of Commerce social programs	-	-	3,600	(3,600)
Auto allowances	2,570	2,800	2,760	40
Retirement contributions	51,284	58,059	55,439	2,620
Medicare taxes	9,157	9,178	9,875	(697)
Payroll taxes	704	719	626	93
Summer feeding program	38,152	-	-	-
Planning and Zoning Commission	25,000	-	-	-
Miscellaneous	-	29,668	34,019	(4,351)
Total administrative	<u>873,699</u>	<u>1,131,293</u>	<u>1,040,474</u>	<u>90,819</u>
Total general government	<u>1,124,208</u>	<u>1,371,556</u>	<u>1,273,951</u>	<u>97,605</u>

(continued)

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Public safety:				
Police department -				
Salaries	1,156,179	1,175,066	1,270,023	(94,957)
Gas and oil	54,000	73,152	76,624	(3,472)
Auto repairs	49,000	89,928	88,882	1,046
Equipment and building repairs and maintenance	18,000	37,116	43,779	(6,663)
Feeding prisoners	5,751	43,489	54,546	(11,057)
Supplies	34,000	41,714	43,232	(1,518)
Telephone	6,800	6,392	6,558	(166)
Insurance	140,000	194,226	179,801	14,425
Workman's compensation	80,803	89,022	87,086	1,936
Advertising and publicity	392	977	777	200
Insurance claims	50,000	-	-	-
Uniforms	14,000	14,300	13,276	1,024
Retirement contributions	217,866	255,786	249,797	5,989
Group insurance	105,000	141,133	152,991	(11,858)
Professional fees	14,333	12,861	13,608	(747)
Dues, conventions and travel	16,000	20,006	18,944	1,062
Officer training program	5,400	3,770	4,070	(300)
Utilities	17,958	13,527	13,261	266
Medicare taxes	31,000	31,679	31,057	622
Payroll taxes	2,312	2,598	2,471	127
Dare, K-9 and DWI expenditures	4,517	5,054	4,431	623
Medical expenditures	38,000	93,566	84,289	9,277
Miscellaneous	-	1,793	2,618	(825)
Total police department	<u>2,061,311</u>	<u>2,347,155</u>	<u>2,442,121</u>	<u>(94,966)</u>
Fire department -				
Salaries	548,395	563,671	629,650	(65,979)
Gas and oil	6,820	9,104	7,504	1,600
Equipment and building repairs and maintenance	72,368	16,975	48,116	(31,141)
Supplies	10,064	39,764	6,021	33,743
Telephone	11,057	13,662	13,320	342
Insurance	18,037	20,833	22,286	(1,453)
Workman's compensation	61,968	53,773	52,774	999
Uniforms	4,095	3,828	4,052	(224)
Retirement contributions	109,100	133,738	132,879	859

(continued)

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Fire department (continued) -				
Group insurance	90,507	91,018	95,684	(4,666)
Utilities	14,134	21,336	19,195	2,141
Medicare taxes	10,110	10,525	10,350	175
School training	792	1,389	1,089	300
Payroll taxes	1,184	1,317	1,208	109
Contribution of fire insurance rebate	35,000	-	-	-
Professional fees	10,022	8,021	6,621	1,400
Miscellaneous	-	1,303	1,846	(543)
Total fire department	<u>1,003,653</u>	<u>990,257</u>	<u>1,052,595</u>	<u>(62,338)</u>
Total public safety	<u>3,064,964</u>	<u>3,337,412</u>	<u>3,494,716</u>	<u>(157,304)</u>
Streets and drainage:				
Salaries	316,481	306,724	295,174	11,550
Gas, oil and fuel	15,000	47,739	51,292	(3,553)
Truck and equipment repairs	30,000	46,386	47,294	(908)
Tools and supplies	20,000	24,115	21,303	2,812
Telephone	2,794	2,938	2,879	59
Insurance	22,816	35,169	35,228	(59)
Workman's compensation	56,002	41,705	40,034	1,671
Retirement contributions	41,389	39,283	37,849	1,434
Group insurance	38,302	35,223	37,460	(2,237)
Uniforms	500	4,674	4,517	157
Medical expense	1,512	844	666	178
Utilities - street lights	119,556	172,712	156,765	15,947
Medicare taxes	12,595	12,354	11,775	579
Payroll taxes	729	711	591	120
Sand, gravel, cement and dirt	2,516	4,477	4,676	(199)
Street improvement, repairs and overlay	100,000	21,125	65,425	(44,300)
Professional fees	11,950	6,283	22,695	(16,412)
Impounder	8,000	7,200	7,311	(111)
Grass and tree cutting	10,000	15,715	13,615	2,100
Miscellaneous	-	6,448	2,891	3,557
Total streets and drainage	<u>810,142</u>	<u>831,825</u>	<u>859,440</u>	<u>(27,615)</u>

(continued)



CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Culture and recreation:				
Salaries	208,156	188,377	173,422	14,955
Gas, oil and diesel	2,202	861	686	175
Building and equipment repairs	30,000	73,925	80,920	(6,995)
Tools and supplies	18,000	19,945	19,231	714
Telephone	7,917	8,209	8,060	149
Insurance	23,487	23,487	23,280	207
Workman's compensation	15,955	13,412	13,144	268
Retirement contributions	30,516	31,335	30,378	957
Group insurance	20,847	19,078	20,597	(1,519)
Uniforms	1,476	3,319	3,564	(245)
Utilities	23,255	33,837	29,332	4,505
Medicare taxes	8,164	7,689	7,664	25
Payroll taxes	447	444	407	37
Professional fees	14,729	-	-	-
Swamp Pop	3,565	5,526	6,326	(800)
Boys and Girls Club	30,000	19,742	23,610	(3,868)
Miscellaneous	-	4,001	3,686	315
Total culture and recreation	<u>438,716</u>	<u>453,187</u>	<u>444,307</u>	<u>8,880</u>

(continued)

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Capital outlay:				
Administrative -				
Security cameras	-	-	10,240	(10,240)
Public Safety -				
Police:				
Vehicles	-	314,894	194,910	119,984
Fire:				
Equipment	-	3,500	-	3,500
Improvements - Fire Stations	200,000	-	-	-
Streets and drainage -				
Equipment	25,000	-	-	-
Vehicles	10,000	-	-	-
Sidewalk improvements	1,160,000	-	-	-
Culture and recreation -				
Equipment	200,000	-	5,520	(5,520)
Northside Park improvements	30,000	8,641	-	8,641
Hargrove Park improvements	66,000	-	-	-
Recreational complex	1,600,000	-	-	-
Total capital outlay	<u>3,291,000</u>	<u>327,035</u>	<u>210,670</u>	<u>116,365</u>
Debt Service:				
Principal	72,000	80,790	60,757	20,033
Interest	-	25,000	5,361	19,639
Total debt service	<u>72,000</u>	<u>105,790</u>	<u>66,118</u>	<u>39,672</u>
Total expenditures	<u>\$ 8,801,030</u>	<u>\$ 6,426,805</u>	<u>\$ 6,349,202</u>	<u>\$ 77,603</u>

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Other Financing Sources (Uses)  
For the Year Ended June 30, 2018

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Proceeds from capital lease	\$ -	\$ 314,894	\$ 314,894	\$ -
Transfers from (to) other funds -				
Utility Fund	1,345,950	1,201,885	1,442,586	240,701
PI Sales Tax Bond Debt Service Fund	-	447,862	447,862	-
1975 Sales Tax Fund	1,248,322	1,187,310	1,205,410	18,100
1984 Sales Tax Fund	1,268,400	564,229	470,129	(94,100)
City Court	<u>(261,986)</u>	<u>(272,971)</u>	<u>(231,471)</u>	<u>41,500</u>
Total other financing sources (uses)	<u>\$3,600,686</u>	<u>\$3,443,209</u>	<u>\$3,649,410</u>	<u>\$ 206,201</u>

**NONMAJOR GOVERNMENTAL FUNDS**

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Governmental Funds

Combining Balance Sheet  
June 30, 2018

	<u>City Court Special Revenue</u>	<u>Municipal Building Construction Capital Project</u>	<u>Totals</u>
<b>ASSETS</b>			
Interest-bearing deposits	\$ 10,208	\$ 88,096	\$ 98,304
Due from other governmental units	6,332	-	6,332
Prepaid items	<u>4,282</u>	<u>-</u>	<u>4,282</u>
Total assets	<u>\$ 20,822</u>	<u>\$ 88,096</u>	<u>\$ 108,918</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 6,684	\$ -	\$ 6,684
Accrued liabilities	<u>2,357</u>	<u>-</u>	<u>2,357</u>
Total liabilities	<u>9,041</u>	<u>-</u>	<u>9,041</u>
Fund balances:			
Nonspendable (prepaid items)	4,282	-	4,282
Assigned -			
City Court operations	7,499	-	7,499
Capital projects	<u>-</u>	<u>88,096</u>	<u>88,096</u>
Total fund balances	<u>11,781</u>	<u>88,096</u>	<u>99,877</u>
Total liabilities and fund balances	<u>\$ 20,822</u>	<u>\$ 88,096</u>	<u>\$ 108,918</u>

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended June 30, 2018

	<u>City Court Special Revenue</u>	<u>Municipal Building Construction Capital Project</u>	<u>Totals</u>
Revenues:			
Intergovernmental	\$ 114,836	\$ -	\$ 114,836
Fines and forfeits	28,411	-	28,411
Salaries from Police Jury	46,903	-	46,903
Miscellaneous	13,447	138	13,585
Total revenues	<u>203,597</u>	<u>138</u>	<u>203,735</u>
Expenditures:			
Current -			
General government	683,752	-	683,752
Debt service -			
Principal retirement	7,625	-	7,625
Interest and fiscal charges	347	-	347
Total expenditures	<u>691,724</u>	<u>-</u>	<u>691,724</u>
Excess (deficiency) of revenues over expenditures	(488,127)	138	(487,989)
Other financing sources:			
Transfers in	<u>538,801</u>	<u>-</u>	<u>538,801</u>
Change in fund balance	50,674	138	50,812
Fund balances (deficit), beginning	<u>(38,893)</u>	<u>87,958</u>	<u>49,065</u>
Fund balances, ending	<u>\$ 11,781</u>	<u>\$ 88,096</u>	<u>\$ 99,877</u>

CITY OF VILLE PLATTE, LOUISIANA  
Enterprise Fund  
Utility Fund

Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2018

Operating revenues:	
Charges for services -	
Customer service charges	\$ 3,685,762
Connection and inspection fees	59,901
Miscellaneous	<u>175,025</u>
Total operating revenues	<u>3,920,688</u>
Operating expenses:	
Gas department expenses	1,696,481
Water department expenses	1,799,529
Sewerage department expenses	<u>934,039</u>
Total operating expenses	<u>4,430,049</u>
Operating income (loss)	<u>(509,361)</u>
Nonoperating revenues (expenses):	
Nonemployer pension contribution	13,920
Interest income	2,501
Ad valorem taxes	515,296
Interest expense	(68,537)
Bond issue costs	(35,248)
Paying agent fees	<u>(49,433)</u>
Total nonoperating revenues (expenses)	<u>378,499</u>
Loss before transfers and capital contributions	(130,862)
Capital contributions	<u>998,750</u>
Income before transfers	<u>867,888</u>
Transfers in (out):	
Transfers in	760,368
Transfers out	<u>(1,686,915)</u>
Total transfers in (out)	<u>(926,547)</u>
Change in net position	(58,659)
Net position, beginning, as restated	<u>10,727,398</u>
Net position, ending	<u>\$ 10,668,739</u>

<u>Gas</u> <u>Department</u>	<u>Water</u> <u>Department</u>	<u>Sewer</u> <u>Department</u>
\$1,690,288	\$1,272,510	\$ 722,964
12,354	34,761	12,786
<u>98,297</u>	<u>57,709</u>	<u>19,019</u>
<u>1,800,939</u>	<u>1,364,980</u>	<u>754,769</u>
1,696,481	-	-
-	1,799,529	-
<u>-</u>	<u>-</u>	<u>934,039</u>
<u>1,696,481</u>	<u>1,799,529</u>	<u>934,039</u>
<u>\$ 104,458</u>	<u>\$ (434,549)</u>	<u>\$ (179,270)</u>



CITY OF VILLE PLATTE, LOUISIANA  
Enterprise Fund  
Utility Fund

Departmental Analysis of Operating Expenses  
For the Year Ended June 30, 2018

	Gas	Water	Sewer	Totals
Salaries	\$ 279,830	\$ 175,398	\$ 178,911	\$ 634,139
Retirement contributions	90,593	53,030	28,454	172,077
Payroll and Medicare taxes	8,649	3,452	8,895	20,996
Group insurance	47,343	30,044	36,867	114,254
Uniforms	2,793	1,868	6,710	11,371
Insurance	69,791	29,188	26,130	125,109
Workman's compensation insurance	9,493	13,410	15,976	38,879
General Fund - payment in lieu of taxes	166,666	127,412	72,154	366,232
Natural gas purchased	703,640	-	-	703,640
Dues and conventions	11,567	607	541	12,715
Equipment repairs and maintenance	59,589	89,856	60,685	210,130
Materials and supplies	44,386	51,003	16,598	111,987
Chemicals	-	35,352	16,189	51,541
Testing and inspection fees	1,350	16,501	18,765	36,616
Professional fees	36,181	33,307	17,761	87,249
Utilities and telephone	29,498	178,171	137,249	344,918
Rent	15,000	-	-	15,000
Gas, oil and fuel	1,746	3,601	1,622	6,969
Office supplies	16,557	9,175	9,056	34,788
Depreciation	67,327	923,484	270,221	1,261,032
Miscellaneous	16,076	5,545	1,093	22,714
Sand, gravel and dirt	-	5,016	2,135	7,151
Bad debt expense	18,406	14,109	8,027	40,542
Total operating expenses	<u>\$ 1,696,481</u>	<u>\$ 1,799,529</u>	<u>\$ 934,039</u>	<u>\$ 4,430,049</u>

**OTHER SUPPLEMENTARY INFORMATION**

CITY OF VILLE PLATTE, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
(Unaudited)  
June 30, 2018

Records maintained by the City indicated the following number of customers were being served during the month of June, 2018:

<u>Department</u>	
Gas (metered)	1,628
Water (metered)	2,846
Sewerage	2,729

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Insurance in Force  
(Unaudited)  
June 30, 2018

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

**INTERNAL CONTROL, COMPLIANCE  
AND OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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

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\* A Professional Accounting Corporation

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ville Platte (City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 13, 2018.

### Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of current and prior year audit findings and corrective action plan as items 2018-002 and 2018-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider deficiencies 2018-001, 2018-004, and 2018-005 described in the accompanying schedule of current and prior year audit findings and corrective action plan to be significant deficiencies.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Ville Platte's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current and prior year audit findings and corrective action plan as item 2018-006.

## **City of Ville Platte's Response to Findings**

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

## **Purpose of this Report**

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

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

Ville Platte, Louisiana  
November 13, 2018

# KOLDER, SLAVEN & COMPANY, LLC

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

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\* A Professional Accounting Corporation

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

### Report on Compliance for Each Major Federal Program

We have audited the City of Ville Platte's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

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

### *Auditor's Responsibility*

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

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

### *Opinion on Each Major Federal Program*

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.



## Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

Ville Platte, Louisiana  
November 13, 2018

Except for the Schedule of Findings and Questioned Costs, Section I Summary  
of Auditor's Results, as to which the date is March 18, 2020.

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Name	Pass-through Identifying Number	CFDA Number	Expenditures
U.S. Department of Housing and Urban Development			
Passed through State of Louisiana Division of Administration			
Community Development Block Grant/State's program	2000219438	14.228	\$ 998,750
Housing Voucher Cluster -			
Section 8 Housing Choice Vouchers	-	14.871	<u>557,345</u>
			<u>1,556,095</u>
U.S. Environmental Protection Agency			
Passed through the State of Louisiana Department of Health and Hospitals			
Drinking Water State Revolving Fund Cluster -			
Capitalization Grants for Drinking Water State Revolving Funds	-	66.468	1,100,000
AARA - Capitalization Grants for Drinking Water State Revolving Funds	-	66.468	<u>111,290</u>
			<u>1,211,290</u>
Total			<u>\$2,767,385</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2018

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of Ville Platte under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Ville Platte, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Ville Platte.

(2) Summary of Significant Accounting Policies

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

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

(3) Outstanding Loan

The City of Ville Platte had a \$1,100,000 loan under the Capitalization Grants for Drinking Water State Revolving Funds Program. Expenditures paid from loan proceeds during the year included in federal expenditures totaled \$1,100,000.

(4) Re-issuance of Single Audit Report

Subsequent to the issuance of the Financial Report of the City of Ville Platte, Louisiana, for the year ended June 30, 2018, it was determined that the amount of federal award expenditures reported for the major program, Capitalization Grants for Drinking Water State Revolving Funds CFDA No. 66.468, was incorrectly computed resulting in a portion of program expenditures being omitted from the Schedule of Expenditures of Federal Awards and major program testing. Upon discovery of this fact, this program was audited as a major program including all program expenditures for the year ended June 30, 2018. The results of the audit are summarized in the Schedule of Findings and Questioned Costs, Section I.

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Ville Platte were prepared in accordance with GAAP.
2. Two material weaknesses and three significant deficiencies in internal control were disclosed by the audit of the basic financial statements.
3. One instance of noncompliance material to the financial statements which would be required to be reported in accordance with *Government Auditing Standards* were disclosed.
4. No significant deficiencies in internal control over major federal award programs were disclosed by the audit of the basic financial statements.
5. The auditor's report on compliance for the major federal award programs expresses an unmodified opinion on all major federal programs.
6. The audit disclosed no findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The major programs were the U.S. Department of Housing and Urban Development's Community Development Block Grant/State's program CFDA #14.228 and the U.S. Environmental Protection Agency's Capitalization Grants for Drinking Water State Revolving Funds, CFDA #66.468.
8. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
9. The City of Ville Platte did not qualify as a low-risk auditee.

Part II. Findings – Financial Audit

**A. Internal Control Findings –**

See internal control findings 2018-001 through 2018-005 in the Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

**B. Compliance Findings –**

See compliance finding 2018-006 in the Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

(continued)

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2018

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

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

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Current and Prior Year Audit Findings and Corrective Action Plan  
For the Year Ended June 30, 2018

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

A. Internal Control

2018-001 Segregation of Duties

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

CRITERIA: Segregation of accounting duties is imperative to promote a strong internal control structure and proper monitoring.

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

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

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

MANAGEMENT RESPONSE: Due to the size of the operation and cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of accounting duties.

2018-002 Financial Reporting

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

CRITERIA: The City's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements, including the ability of its management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

CAUSE: The condition results from a reliance on the auditor as part of the internal control process.

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

RECOMMENDATION: The additional costs required to achieve the desired benefit may not be economically feasible.

(continued)

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Current and Prior Year Audit Findings and Corrective Action Plan  
For the Year Ended June 30, 2018 (Continued)

MANAGEMENT RESPONSE: The financial reporting process will continue to be outsourced to the City's external auditors due to the increased costs necessary to correct the condition.

2018-003 Reconciliation of Utility Receivables

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

CRITERIA: The City must reconcile the utility aged receivable report to the general ledger to ensure proper recording and accounting for receivables.

CAUSE: The City did not follow policies and procedures for reconciling the aged receivable report.

EFFECT: Customer accounts receivable may not be properly accounted for.

RECOMMENDATION: The City should reconcile the aged receivable report to the general ledger on a monthly basis.

MANAGEMENT RESPONSE: The City began to reconcile the aged receivable report to the general ledger on a monthly basis beginning in the month of January 2018.

2018-004 Reconciliation of Customer Meter Deposits

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

CRITERIA: The City must reconcile the meter deposit listing to the general ledger to ensure proper accounting for deposits.

CAUSE: The City did not follow policies and procedures for reconciling customer meter deposits.

EFFECT: Customer meter deposits may be improperly accounted for.

RECOMMENDATION: The City should reconcile customer meter deposits to the general ledger on a monthly basis.

MANAGEMENT RESPONSE: The City began to reconcile customer meter deposits to the general ledger on a monthly basis beginning in the month of January 2018.

(continued)

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Current and Prior Year Audit Findings and Corrective Action Plan  
For the Year Ended June 30, 2018 (Continued)

2018-005 Maintenance of Police Department Ticket Log

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

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

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

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

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

MANAGEMENT RESPONSE: The police department will properly maintain the log.

B. Compliance

2018-006 Compliance with Budget Act

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

CRITERIA: The City must comply with the requirements of RS 39:1311, the Local Government Budget Act.

CAUSE: The City did not amend the budget to reflex current spending.

EFFECT: The City could have overspent causing a negative fund balance.

RECOMMENDATION: We recommend that the City comply with the requirements of RS 39:1311, the Local Government Budget Act.

MANAGEMENT RESPONSE: The City will comply with the requirements of RS 39:1311, the Local Government Budget Act.

(continued)



CITY OF VILLE PLATTE, LOUISIANA

Schedule of Current and Prior Year Audit Findings and Corrective Action Plan  
For the Year Ended June 30, 2018 (Continued)

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

A. Internal Control

2017-001 Segregation of Duties

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

CURRENT STATUS: See finding 2018-001.

2017-002 Financial Reporting

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

CURRENT STATUS: See finding 2018-002

2017-003 Reconciliation of Utility Receivables

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

CURRENT STATUS: See finding 2018-003

2017-004 Reconciliation of Customer Meter Deposits

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

CURRENT STATUS: See finding 2018-004

2017-005 Maintenance of Police Department Ticket Log

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

CURRENT STATUS: See finding 2018-005

B. Compliance

2017-006 Compliance with Budget Act

CONDITION: The City did not comply with the requirements of RS 39:1307, the Local Government Budget Act. Notification of the public hearing for the 2017 budget was not published in the official journal.

CURRENT STATUS: The notification for the 2018 budget was published in the official journal.

(continued)

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Current and Prior Year Audit Findings and Corrective Action Plan  
For the Year Ended June 30, 2018 (Continued)

2017-007 Compliance with Budget Act

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

CURRENT STATUS: See finding 2018-006.

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

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURE

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

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

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

We were engaged to perform an audit in accordance with *Government Auditing Standards* by the City of Ville Platte, Louisiana as of and for the year ended June 30, 2018, and have issued our reports thereon dated November 13, 2018. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of that audit. Further, our opinion on the fair presentation of the City of Ville Platte's Financial Data Schedule (FDS) dated November 13, 2018, was expressed in relation to the basic financial statements of the City of Ville Platte, Louisiana taken as a whole.

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

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

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

Ville Platte, Louisiana  
November 13, 2018

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

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

CITY OF VILLE PLATTE

Financial Data Schedule - Balance Sheet

Section 8 Housing Program

June 30, 2018

Line Item #	Account Description	14.871 Housing Choice Vouchers	97.109 Housing Assistance Grant	Total
111	Cash - unrestricted	\$ -	\$ -	\$ -
113	Cash - restricted	6,997	206,226	213,223
100	Total cash	6,997	206,226	213,223
150	Total current assets	6,997	206,226	213,223
164	Furniture, equipment & machinery - administration	5,926	-	5,926
166	Accumulated depreciation	(5,926)	-	(5,926)
160	Total capital assets, net of accumulated depreciation	-	-	-
200	Deferred outflows of resources	48,518	-	48,518
190	Total assets and deferred outflows of resources	\$ 55,515	\$ 206,226	\$ 261,741
311	Bank overdraft	163,057	-	163,057
310	Total current liabilities	163,057	-	163,057
357	Accrued pension liability	148,993	-	148,993
350	Total non-current liabilities	148,993	-	148,993
300	Total liabilities	312,050	-	312,050
400	Deferred inflows of resources	9,853	-	9,853
511.4	Restricted net position	6,997	-	6,997
512.4	Unrestricted net position	(273,385)	206,226	(67,159)
513	Total equity - net position	(266,388)	206,226	(60,162)
600	Total liabilities, deferred inflows of resources and equity	\$ 55,515	\$ 206,226	\$ 261,741

CITY OF VILLE PLATTE

Financial Data Schedule - Income Statement  
 Section 8 Housing Program  
 For the Year Ended June 30, 2018

Line Item #	Account Description	14.871 Housing Choice Vouchers	94.IKE Housing Assistance Grant	Total
70600	HUD PHA operating grants	\$ 557,345	\$ -	\$ 557,345
71100	Investment income -unrestricted	81	-	81
71400	Fraud recovery	2,394	-	2,394
71500	Other revenue	6,239	-	6,239
70000	Total revenue	<u>566,059</u>	<u>-</u>	<u>566,059</u>
91100	Administrative salaries	64,692	-	64,692
91200	Auditing fees	500	-	500
91500	Employee benefit contributions- administrative	28,729	-	28,729
91600	Office Expenses	10,869	-	10,869
91800	Travel	4,865	-	4,865
91900	Other	7,958	-	7,958
91000	Total Operating - Administrative	<u>117,613</u>	<u>-</u>	<u>117,613</u>
96130	Workmen's compensation	279	-	279
96100	Total insurance premiums	279	-	279
96900	Total operating expenses	<u>117,892</u>	<u>-</u>	<u>117,892</u>
97000	Excess of operating revenue over operating expenses	<u>448,167</u>	<u>-</u>	<u>448,167</u>
97300	Housing assistance payments	512,569	-	512,569
97350	HAP Portability-in	7,426	-	7,426
90000	Total expenses	<u>637,887</u>	<u>-</u>	<u>637,887</u>
10000	Excess of total revenue over total expenses	<u>(71,828)</u>	<u>-</u>	<u>(71,828)</u>
11030	Beginning equity	(194,560)	206,226	11,666
11170	Administrative Fee Equity	(273,385)	-	(273,385)
11180	Housing Assistance Payments Equity	6,997	-	6,997
11190	Unit Months Available	1,786	-	1,786
11210	Unit Months Leased	1,525	-	1,525



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

**Statewide Agreed-Upon Procedures Report**  
**Year Ended June 30, 2018**

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

\* A Professional Accounting Corporation

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

We have performed the procedures enumerated below, which were agreed to by the City of Ville Platte and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The entity's management is responsible for those C/C areas identified in the SAUPs.

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

### ***Written Policies and Procedures***

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget  
*No written policies and procedures were noted.*
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.  
*No written policies and procedures were noted.*
  - c) **Disbursements**, including processing, reviewing, and approving  
*No written policies and procedures were noted.*
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).  
*No written policies and procedures were noted.*

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

*No written policies and procedures were noted.*

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

*No written policies and procedures were noted.*

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

*No written policies and procedures were noted.*

- h) **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.

*No written policies and procedures were noted.*

### **Board or Finance Committee**

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

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

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

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

*The city gives council members the budget to actual comparisons for expenditures in major funds in their monthly information packet, but there is no discussion on budget to actual comparisons in the monthly meetings.*

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

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

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);  
*No exceptions noted.*
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and  
*No exceptions noted.*
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.  
*No exceptions noted.*

### ***Collections***

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

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

*One employee was not bonded.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

*No exceptions noted.*

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*No exceptions noted.*

- c) Trace the deposit slip total to the actual deposit per the bank statement.

*No exceptions noted.*

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

*Five of the ten deposits tested were not made within one day of collection.*

- e) Trace the actual deposit per the bank statement to the general ledger.

*No exceptions noted.*

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

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

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*No exceptions noted.*

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

*No exceptions noted.*

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

*Exception noted.*

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

*Exception noted.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

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

*No exceptions noted.*

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*No exceptions noted.*

### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, 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.]]

*Monthly Statements and supporting documentation were not reviewed and approved in writing by someone other than the authorized card holder for any of the cards selected.*

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

*Finance charges were noted on two of the cards selected.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

*Two of the transactions tested did not have an original itemized receipt attached. Six of the transactions tested did not have written documentation of the business/public purpose.*

## ***Contracts***

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14. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.  
*No exceptions noted.*
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).  
*No board approval was noted..*
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.  
*No amendments were noted.*
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.  
*No exceptions were noted.*

## ***Payroll and Personnel***

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15. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.  
*One exception was noted.*
16. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #15 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)  
*No exceptions noted.*
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.  
*No exceptions noted.*
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.  
*No exceptions noted.*

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

*One exception was noted.*

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

*No exceptions noted.*

### ***Ethics***

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19. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

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

*No exceptions noted.*

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

*No documentation was available.*

### ***Management's Response:***

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

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

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

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

Ville Platte, Louisiana  
August 20, 2018