

CITY OF PLAQUEMINE, LOUISIANA

ANNUAL FINANCIAL REPORT

OCTOBER 31, 2019

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ANNUAL FINANCIAL STATEMENTS  
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# BAXLEY AND ASSOCIATES, LLC

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The Honorable Edwin M. Reeves, Jr. Mayor  
and Members of the Board of Selectmen  
City of Plaquemine, Louisiana

## INDEPENDENT AUDITOR'S REPORT

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Plaquemine, Louisiana as of and for the year ended October 31, 2019, 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 principle 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 of 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.

## INDEPENDENT AUDITOR'S REPORT (continued)

### ***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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plaquemine, Louisiana as of October 31, 2019, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information on pages 4 through 13 and 81 through 86 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.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Plaquemine, Louisiana's basic financial statements. The budgetary comparison schedules, non-major special revenue funds, combining and individual non-major fund financial statements, component unit financial statements, schedule of compensation, benefits, and other payments to agency head and other supplemental information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Financial Data Schedule is electronically submitted as required by the U.S. Department of Housing and Urban Development (HUD) Real Estate Assessment Center (REAC), and is not a required part of the basic financial statements.

The budgetary comparison schedules, non-major special revenue funds, combining and individual non-major fund financial statements, component unit financial statements, schedule of compensation, benefits, and other payments to agency head, and other supplemental information as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules, non-major special revenue funds, combining and individual non-major fund financial statements, component unit financial statements, schedule of compensation, benefits, and other payments to agency head, and other supplemental information as listed in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole.

## INDEPENDENT AUDITOR'S REPORT (continued)

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2020, on our consideration of the City of Plaquemine, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Plaquemine, Louisiana's internal control over financial reporting and compliance.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
April 6, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **CITY OF PLAQUEMINE, LOUISIANA MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Plaquemine, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Plaquemine for the fiscal year ended October 31, 2019. This management discussion and analysis ("MD&A") is designed to provide an objective and easy to read analysis of the City's financial activities based on currently known facts, decisions or conditions. It is intended to provide readers with a broad overview of the City's finances.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information that is provided in addition to this MD&A.

### **Financial Highlights**

- The assets of the City of Plaquemine exceeded its liabilities at the close of the most recent fiscal year by \$41,458,265 (*net position*). Of this amount, \$1,127,101 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. The City's net position increased by \$367,902.
- As of the close of the current fiscal year, the City of Plaquemine's governmental funds reported combined ending fund balances of \$11,826,961 an increase of \$926,883 in comparison with the prior year. The unassigned fund balance in the general fund \$3,582,361 is *available for spending* at the government's discretion (*unreserved fund balance*). All other fund balances are restricted for the purpose for which the fund was created.
- At the end of the current fiscal year, unreserved fund balance for the general fund was 43 percent of the total general fund expenditures and transfers out.
- The City of Plaquemine's total liabilities decreased by \$1,673,266. Significant to this decrease was a decrease in General Obligation Bonds of \$1,448,000. (Note I)

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Plaquemine's basic financial statements. The City of Plaquemine's basic financial statements comprise three components: 1) government wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Plaquemine's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Plaquemine's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net

position may serve as a useful indicator of whether the financial position of the City of Plaquemine is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both the government-wide financial statements distinguish functions of the City of Plaquemine that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Plaquemine included general government, city court, police, fire, public works, recreation, public health, HUD and debt service. The business-type activities of the City of Plaquemine include an electric, gas, water and sewer department. All business-type activities are included in a single enterprise fund, City Light & Water.

The government-wide financial statements include not only the City of Plaquemine itself (known as the *primary government*), but also a legally separate City Court of Plaquemine for which the City of Plaquemine is financially accountable. Financial information for this *component unit* is reported separately from the financial information for the primary government itself.

The government-wide financial statements can be found on pages 15-16 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Plaquemine, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Plaquemine can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.



The City of Plaquemine maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, fire department capital improvement, sales tax revenue, and sales tax bond fund, all of which are considered to be major funds. Data for the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Plaquemine adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17-18 of this report.

**Proprietary funds.** The City of Plaquemine maintains only one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Plaquemine uses an enterprise fund to account for its utilities (electric, gas, water, and sewer).

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-79 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Plaquemine's budgetary comparison schedules for its major governmental funds. The required supplementary information can be found on pages 81-86 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgetary comparison schedules. Combining and individual fund statements and schedules can be found on pages 88-103 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Plaquemine, assets exceed liabilities by \$41,458,265 at the close of the most recent fiscal year. The following is a summary of the City of Plaquemine's net position:

### CITY OF PLAQUEMINE Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
<b>ASSETS</b>						
Current and other assets	\$ 11,170,970	\$ 12,075,221	\$ 9,009,534	\$ 8,592,005	\$ 20,180,504	\$ 20,667,226
Capital assets	24,599,256	24,434,191	32,094,296	30,920,059	56,693,552	55,354,250
Total assets	35,770,226	36,509,412	41,103,830	39,512,064	76,874,056	76,021,476
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Related to pensions	2,082,550	1,938,698	1,233,264	1,035,172	3,315,814	2,973,870
<b>LIABILITIES</b>						
Current	1,505,148	1,523,800	3,279,885	3,006,501	4,785,033	4,530,301
Long-term	16,058,519	15,407,920	17,598,093	16,830,158	33,656,612	32,238,078
Total liabilities	17,563,667	16,931,720	20,877,978	19,836,659	38,441,645	36,768,379
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Related to pensions	483,604	638,980	174,358	129,722	657,962	768,702
<b>Net position</b>						
Invested in capital assets, net of related debt	14,817,881	15,247,132	17,524,296	17,203,059	32,342,177	32,450,191
Restricted	5,373,640	6,434,273	829,431	272,463	6,203,071	6,706,736
Unrestricted	(385,916)	(803,995)	2,931,031	3,105,333	2,545,115	2,301,338
Total net position	\$ 19,805,605	\$ 20,877,410	\$ 21,284,758	\$ 20,580,855	\$ 41,090,363	\$ 41,458,265

A large portion of the City of Plaquemine's net position (78%) reflects its investment in capital assets (e.g., land buildings, machinery, equipment, and utility plant) less any related debt used to acquire those assets that is still outstanding. The City of Plaquemine uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Plaquemine's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Plaquemine's net position (16%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$2,301,338) may be used to meet the government's on-going obligations to citizens and creditors. At the end of the current fiscal year, the City of Plaquemine is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.



The government's net position increased by \$367,902 during the current fiscal year.

**CITY OF PLAQUEMINE**  
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Revenues:						
Program Revenues:					-	-
Charges for Services	\$ 77,669	\$ 59,145	\$ 15,628,067	\$ 14,963,882	\$ 15,705,736	\$ 15,023,027
Operating grants and Contributions	951,239	787,241	-	-	951,239	787,241
Capital Grants and Contributions	309,757	12,885	-	-	309,757	12,885
General revenues:					-	-
Sales Taxes	7,486,046	8,873,972	-	-	7,486,046	8,873,972
Other taxes	445,041	520,063	-	-	445,041	520,063
Other general revenues	1,025,012	1,017,151	415,893	468,021	1,440,905	1,485,172
Total revenues	10,294,764	11,270,457	16,043,960	15,431,903	26,338,724	26,702,360
Expenses:						
General government	1,736,438	1,708,766	-	-	1,736,438	1,708,766
City court	463,386	440,470	-	-	463,386	440,470
Police department	2,852,689	2,821,487	-	-	2,852,689	2,821,487
Fire department	1,724,477	1,701,081	-	-	1,724,477	1,701,081
Public works	2,440,641	2,533,614	-	-	2,440,641	2,533,614
Recreation	573,229	692,959	-	-	573,229	692,959
Public health	16,368	12,734	-	-	16,368	12,734
HUD	535,353	337,020	-	-	535,353	337,020
Debt service	398,724	377,987	-	-	398,724	377,987
City light & water plant	-	-	15,665,082	15,708,340	15,665,082	15,708,340
Total expenses	10,741,305	10,626,118	15,665,082	15,708,340	26,406,387	26,334,458
Increase (decrease) in net position before transfers	(446,541)	644,339	378,878	(276,437)	(67,663)	367,902
Transfers	540,039	427,466	(540,039)	(427,466)	-	-
Increase (decrease) in net position	93,498	1,071,805	(161,161)	(703,903)	(67,663)	367,902
Net position 11/01	19,712,107	19,805,605	21,445,919	21,284,758	41,158,026	41,090,363
Restate net position	-	-	-	-	-	-
Net position 10/31	\$ 19,805,605	\$ 20,877,410	\$ 21,284,758	\$ 20,580,855	\$ 41,090,363	\$ 41,458,265

**Governmental activities.** Governmental activities increased the City of Plaquemine's net position by \$1,071,805. The key element of this increase in anticipated sales tax collections.

**Business-type activities.** Business-type activities decreased the City of Plaquemine's net position by \$703,903. The key elements of this decrease are the repairs to and depreciation on the new Regional Wastewater Treatment Plant.

### **Financial Analysis of the Government's Funds**

As noted earlier, the City of Plaquemine uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Plaquemine's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Plaquemine's financial requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Plaquemine's governmental funds reported combined ending fund balances of \$11,826,961, an increase of \$926,883 in comparison with the prior year. Approximately 30% of this total amount (\$3,582,361) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is 1) restricted for debt service and special revenue funds (\$5,802,024) 2) committed for capital projects and next year's budget (\$1,860,305), 3) assigned (\$503,082) and 4) non-spendable (\$79,189).

The general fund is the chief operating fund of the City of Plaquemine. At the end of the current fiscal year, fund balance of the general fund was \$5,378,239. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 64% of total general fund expenditures.

The fund balance of the City of Plaquemine's general fund decreased, by \$135,440 during the current fiscal year. The primary factor of this decrease is due to improvements to the city's Waterfront Park Project.

The sales tax revenue fund has a total fund balance of \$503,082. All sales taxes collected flow into this fund. The City currently collects three separate sales taxes: 23.7649% of a 1% sales tax, 23.1441% of a 2/3% sales tax, and 23.7649% of a 1% sales tax.

The sales tax bond fund has a total fund balance of \$5,190,266, all of which is restricted for payment of debt service or reserved for road improvements. The net increase in fund balance during the current fiscal year was \$469,210. The primary factor of this increase is an increase in transfers from the Sales Tax Revenue Fund.

**Proprietary fund.** The City of Plaquemine's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of City Light and Water Plant (Electric, Natural Gas, Water and Sewerage) at the end of the current fiscal year amounted to \$3,105,333. The decrease in net position was \$703,903. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Plaquemine's business-type activities.

### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were as follows:

#### Revenues:

- Taxes increased by approximately \$65,000. This is mainly due to an increase in cable franchise taxes resulting in required quarterly reporting.

#### Expenditures:

- General government increased by \$149,220. This was mainly for the purchase of property on LA Hwy 1.
- The Police Department's budget increase of \$24,960 was for the replacement of a central air unit.
- The Recreation Department increased the budget for engineering work done for Waterfront Park Improvements and painting done around the Locks area.

#### Other financing sources:

- Transfers in from Sales Tax Revenue increased due to an increase in sales tax collections.

## Capital Asset and Debt Administration

**Capital Assets.** The City of Plaquemine's investment in capital assets for its governmental and business type activities as of October 31, 2019, amounts to \$55,354,250 (net of depreciation). This investment in capital assets includes land, buildings, improvements (other than buildings), infrastructure, equipment, furniture and fixtures and utility plant and equipment. The total decrease in the City of Plaquemine's investment in capital assets for the current fiscal year was 2.36% (a .67% decrease for the governmental activities and a 3.66% decrease for business-type activities).

### CITY OF PLAQUEMINE Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Land	1,253,358	1,356,269	363,626	363,626	1,616,984	1,719,895
Construction in progress	-	-	-	236,260	-	236,260
Building	2,024,180	1,870,462	325,302	254,024	2,349,482	2,124,486
Improvements (other than buildings)	4,157,474	4,802,274	-	-	4,157,474	4,802,274
Infrastructure	15,292,087	14,683,108	-	-	15,292,087	14,683,108
Equipment	1,866,169	1,715,797	359,829	406,830	2,225,998	2,122,627
Furniture and Fixtures	6,088	6,281	51,911	51,939	57,999	58,220
Utility Plant and Equipment	-	-	30,782,628	29,396,380	30,782,628	29,396,380
Right of Way	-	-	211,000	211,000	211,000	211,000
Total assets	24,599,356	24,434,191	32,094,296	30,920,059	56,693,652	55,354,250

Major capital asset events during the current fiscal year included the following:

- Land purchased on LA Hwy 1 (\$102,911).
- Vehicle purchases for the Police Department, (\$150,995) Utility Department (\$17,663), Water Department (\$25,338) and Sewer Department (\$24,683).
- New radios for the Police Department, Fire Department and CLW Utility office (\$29,824).
- The Fire Department purchased SCBA's (\$60,150), bunker gear (\$9,960) and fire training panel (\$9,996)
- The Police Department purchased a new phone system (\$11,830), tasers and body cameras (\$8,600).
- Public Works and Recreation Department purchase bush hog mowers (\$16,914).
- In the recreation department, work continued on the Open air pavilion and community center, Phase II and III. (\$930,940) and playground equipment was added to the Fort Area Park (\$52,267).
- In an effort to strengthen the City's computer network, a redundant host and backup server were installed at an offsite location (\$37,488)
- The Electric and Water systems were expanded for several new subdivisions (\$289,640).
- Backup generator was ordered for the Regional Sewer Plant. Bids accepted and a deposit of \$63,609 was paid to order. The generator will be delivered in the next fiscal year.

Additional information on the City of Plaquemine's capital assets can be found in Note E on pages 39-41 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Plaquemine had total debt outstanding of \$22,693,058. Of this amount, a levy and collection of sales tax secures \$22,256,000 and \$437,058 is backed by the full faith and credit of the government.

### CITY OF PLAQUEMINE General Obligation and Revenue Bond

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
General Obligation:						
Bonds	9,345,000	8,750,000	14,359,000	13,506,000	23,704,000	22,256,000
Certificate of Indebtedness	-	-	-	-	-	-
Notes Payable	453,371	437,058	-	-	453,371	437,058
Revenue Bonds	-	-	-	-	-	-
Total	9,798,371	9,187,058	14,359,000	13,506,000	24,157,371	22,693,058

Additional information on the City of Plaquemine's long-term debt can be found in Note I on pages 42-44 of this report.

### Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the City of Plaquemine region (Iberville Parish) for the year 2018 was 6.2%, which is higher than the State of Louisiana (4.9%) and the United States (3.9%).
- The City's general fund is heavily dependent upon the taxes derived from the petrochemical industry. Sales Tax increased from 2018 to 2019 and is expected to increase again in 2020.

All economic factors were considered in preparing the City of Plaquemine's budget for the 2019-2020 fiscal year.

With the national health emergency of COVID-19 declared in March 2020, the City is closely monitoring it's financial situation for 2019-2020 impacts.

### Requests for Information

This financial report is designed to provide a general overview of the City of Plaquemine's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Plaquemine, 58165 Court St., Plaquemine, Louisiana, 70764.

## **BASIC FINANCIAL STATEMENTS**

CITY OF PLAQUEMINE  
STATEMENT OF NET POSITION  
OCTOBER 31, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,035,836	\$ 4,379,137	\$ 14,414,973	\$ 50,113
Receivables - (net of allowance for uncollectibles)	963,695	1,932,597	2,896,292	16,400
Prepaid expenses	79,190	119,358	198,548	1,200
Internal balances	996,500	(996,500)	-	-
Inventories	-	507,868	507,868	-
Restricted assets:				
Cash and cash equivalents	-	2,649,545	2,649,545	-
Capital assets (net of accumulated depreciation):				
Land	1,356,269	363,626	1,719,895	-
Construction in progress	-	236,260	236,260	-
Buildings	1,870,462	254,024	2,124,486	-
Improvements (other than buildings)	4,802,274	-	4,802,274	-
Infrastructure	14,683,108	-	14,683,108	-
Equipment	1,715,797	406,830	2,122,627	-
Furniture and fixtures	6,281	51,939	58,220	-
Utility plant and equipment	-	29,396,380	29,396,380	-
Right of way	-	211,000	211,000	-
<b>TOTAL ASSETS</b>	<b>36,509,412</b>	<b>39,512,064</b>	<b>76,021,476</b>	<b>67,713</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related	1,938,698	1,035,172	2,973,870	90,524
<b>LIABILITIES</b>				
Accounts payable	218,879	578,552	797,431	17
Accrued expenses	100,350	61,886	162,236	-
Accumulated leave privileges	446,584	433,701	880,285	-
Retainage payable	29,380	-	29,380	-
Accrued interest	-	122,885	122,885	-
General obligation bonds payable in one year	620,000	858,000	1,478,000	-
Note payable in one year	108,607	-	108,607	-
Customer deposits	-	951,477	951,477	-
Non-current liabilities:				
General obligation bonds payable	8,130,000	12,648,000	20,778,000	-
Bond Premium	-	259,004	259,004	-
Note payable	328,451	-	328,451	-
Net pension liability	6,949,469	3,895,774	10,845,243	146,151
Other	-	27,380	27,380	-
<b>TOTAL LIABILITIES</b>	<b>16,931,720</b>	<b>19,836,659</b>	<b>36,768,379</b>	<b>146,168</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related	638,980	129,722	768,702	65,864
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	15,247,132	17,203,059	32,450,191	-
Restricted for special revenue, capital improvements, debt service, and bonds	6,434,273	272,463	6,706,736	-
Unrestricted	(803,995)	3,105,333	2,301,338	(53,795)
<b>TOTAL NET POSITION</b>	<b>\$ 20,877,410</b>	<b>\$ 20,580,855</b>	<b>\$ 41,458,265</b>	<b>\$ (53,795)</b>

The accompanying notes are an integral part of this statement.

## City of Plaquemine

EXHIBIT B

## Statement of Activities

For the Year Ended October 31, 2019

Functions/Programs	Expenses	Program Revenues			Net(Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General Government	\$ 1,708,766	\$ 300	\$ 28,383	\$ -	\$ (1,680,083)	\$ -	\$ (1,680,083)	\$ -
City Court	440,470	-	17,193	-	(423,277)	-	(423,277)	-
Police Department	2,821,487	13,079	106,509	12,885	(2,689,014)	-	(2,689,014)	-
Fire Department	1,701,081	-	320,572	-	(1,380,509)	-	(1,380,509)	-
Public Works	2,533,614	32,396	-	-	(2,501,218)	-	(2,501,218)	-
Recreation	692,959	13,370	-	-	(679,589)	-	(679,589)	-
Public Health	12,734	-	-	-	(12,734)	-	(12,734)	-
Housing & Urban Development	337,020	-	314,584	-	(22,436)	-	(22,436)	-
Debt Service	377,987	-	-	-	(377,987)	-	(377,987)	-
Total governmental activities	10,626,118	59,145	787,241	12,885	(9,766,847)	-	(9,766,847)	-
Business-type Activities:								
City Light & Water	15,708,340	14,963,882	-	-	-	(744,458)	(744,458)	-
Total business-type activities	15,708,340	14,963,882	-	-	-	(744,458)	(744,458)	-
Total primary government	26,334,458	15,023,027	787,241	12,885	(9,766,847)	(744,458)	(10,511,305)	-
Component units:								
City Court	475,718	1,050	-	-	-	-	-	(474,668)
Total Component Units	475,718	1,050	-	-	-	-	-	(474,668)
General revenues:								
Property taxes					397,334	-	397,334	-
Sales taxes					8,873,972	-	8,873,972	-
Franchise taxes					122,729	-	122,729	-
License and permits					422,716	-	422,716	-
Intergovernmental revenues					166,559	-	166,559	437,279
Unrestricted investment earnings					185,591	121,268	306,859	37
Miscellaneous revenues					242,285	346,753	589,038	34,135
Transfers					427,466	(427,466)	-	-
Total general revenues					10,838,652	40,555	10,879,207	471,451
Change in net position					1,071,805	(703,903)	367,902	(3,217)
Net position - beginning					19,805,605	21,284,758	41,090,363	(50,578)
Net position - ending					\$ 20,877,410	\$ 20,580,855	\$ 41,458,265	\$ (53,795)

The accompanying notes are an integral part of this statement.



CITY OF PLAQUEMINE  
COMBINED BALANCE SHEET  
GOVERNMENTAL FUNDS  
OCTOBER 31, 2019

	General Fund	Sales Tax Revenue Fund	Sales Tax Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,096,715	\$ 4,153,591	\$ 4,003,979	\$ 781,551	\$ 10,035,836
Receivables	200,741	-	-	-	200,741
Due from other govt units	-	746,273	-	16,682	762,955
Due from other funds	4,220,091	-	1,186,287	5,885	5,412,263
Prepaid expenses	79,153	-	-	36	79,189
<b>TOTAL ASSETS</b>	<b>\$ 5,596,700</b>	<b>\$ 4,899,864</b>	<b>\$ 5,190,266</b>	<b>\$ 804,154</b>	<b>\$ 16,490,984</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 183,106	\$ -	\$ -	\$ 35,775	\$ 218,881
Due to other funds	5,885	4,396,782	-	13,095	4,415,762
Retainage payable	29,380	-	-	-	29,380
Total Liabilities	218,371	4,396,782	-	48,870	4,664,023
<b>Fund balance:</b>					
Nonspendable-not in spendable form	79,153	-	-	36	79,189
Restricted	-	-	5,190,266	611,758	5,802,024
Committed	1,716,815	-	-	143,490	1,860,305
Assigned	-	503,082	-	-	503,082
Unassigned	3,582,361	-	-	-	3,582,361
Total fund balances	5,378,329	503,082	5,190,266	755,284	11,826,961
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,596,700</b>	<b>\$ 4,899,864</b>	<b>\$ 5,190,266</b>	<b>\$ 804,154</b>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 24,434,191

Change in net pension liability and deferred inflows and outflows in accordance with GASB 68. (5,649,751)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (9,733,991)

**\$ 20,877,410**

The accompanying notes are an integral part of this statement.

CITY OF PLAQUEMINE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED OCTOBER 31, 2019

	General Fund	Sales Tax Revenue Fund	Sales Tax Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 309,449	\$ 8,679,460	\$ -	\$ 405,126	\$ 9,394,035
Licenses and permits	422,716	-	-	-	422,716
Intergovernmental	607,275	-	-	314,584	921,859
Charges for services	39,811	-	-	-	39,811
Fines and forfeits	7,444	-	-	-	7,444
Miscellaneous revenue	133,628	93,191	74,201	18,934	319,954
<b>TOTAL REVENUES</b>	<b>1,520,323</b>	<b>8,772,651</b>	<b>74,201</b>	<b>738,644</b>	<b>11,105,819</b>
<b>EXPENDITURES</b>					
General Government	\$ 1,547,888	\$ -	\$ -	\$ -	\$ 1,547,888
City Court	402,646	-	-	-	402,646
Police Department	2,784,609	-	-	-	2,784,609
Fire Department	1,429,741	-	-	-	1,429,741
Public Works	837,726	-	-	905,644	1,743,370
Recreation	1,363,028	-	-	-	1,363,028
Public Health	12,734	-	-	-	12,734
Housing and Urban Development	-	-	-	333,087	333,087
Debt Service	-	-	956,748	164,394	1,121,142
<b>TOTAL EXPENDITURES</b>	<b>8,378,372</b>	<b>-</b>	<b>956,748</b>	<b>1,403,125</b>	<b>10,738,245</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(6,858,049)</b>	<b>8,772,651</b>	<b>(882,547)</b>	<b>(664,481)</b>	<b>367,574</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from debt	-	-	-	131,843	131,843
Operating transfers in	6,722,609	-	2,176,757	1,096,661	9,996,027
Operating transfers out	-	(8,372,651)	(825,000)	(370,910)	(9,568,561)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>6,722,609</b>	<b>(8,372,651)</b>	<b>1,351,757</b>	<b>857,594</b>	<b>559,309</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>(135,440)</b>	<b>400,000</b>	<b>469,210</b>	<b>193,113</b>	<b>926,883</b>
<b>FUND BALANCE (DEFICIT), Beginning</b>	<b>5,513,769</b>	<b>103,082</b>	<b>4,721,056</b>	<b>562,171</b>	<b>10,900,078</b>
<b>FUND BALANCE (DEFICIT), Ending</b>	<b>\$ 5,378,329</b>	<b>\$ 503,082</b>	<b>\$ 5,190,266</b>	<b>\$ 755,284</b>	<b>\$ 11,826,961</b>

The accompanying notes are an integral part of this statement.

CITY OF PLAQUEMINE  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED OCTOBER 31, 2019

Amounts reported for governmental activities in the statement of activities (page 16) are different because:

Net Changes in fund balances - Total governmental funds (page 18)	\$ 926,883
Change in net pension liability and deferred inflows and outflows in accordance with GASB 68.	(292,166)
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(165,165)
The liability and expense for compensated absences are not reported in governmental funds. Payments for compensated absences are reported as salaries when they occur. Only the payment consumes current financial resources, and it would take a catastrophic event for this liability to become a current liability.	(9,059)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, which the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	611,313
Change in net position of governmental activities (page 16)	\$ 1,071,806

The accompanying notes are an integral part of this statement.

CITY OF PLAQUEMINE  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
OCTOBER 31, 2019

	City Light & Water
<b>ASSETS AND DEFERRED OUTFLOWS</b>	
<b>Assets</b>	
Cash	\$ 4,379,137
Accounts receivable	1,932,598
Prepaid expenses	119,358
Due from other funds	3,100
Inventory, at cost	507,868
Restricted assets:	
Customer deposits	1,396,197
Bond Accounts	1,253,348
Land	363,626
Construction in progress	236,260
Buildings	1,267,729
Equipment	4,566,159
Furniture and fixtures	332,048
Utility plant and equipment	63,243,891
Less: accumulated depreciation	(39,300,655)
Intangibles	211,000
<b>Total Assets</b>	<b>40,511,664</b>
<b>Deferred Outflows of Resources</b>	
Pension Related	1,035,172
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 41,546,836</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	
<b>Liabilities</b>	
Current liabilities (payable from current assets)	
Accounts payable	\$ 578,552
Accrued expenses	61,886
Accumulated leave privileges	433,701
Due to other funds	999,600
Payable from restricted assets	
Accrued interest payable	122,885
General obligation bonds	858,000
Customer deposits	951,477
Non-current liabilities:	
General obligation bonds	12,648,000
Bond premium	259,004
Net pension liability	3,895,774
Other	27,380
<b>Total Liabilities</b>	<b>20,836,259</b>
<b>Deferred Inflows of Resources</b>	
Pension Related	129,722
<b>Net Position</b>	
Investments in general fixed assets, net of related debt	17,203,059
Restricted for bonds	272,463
Unrestricted	3,105,333
<b>Total Net Position</b>	<b>20,580,855</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	<b>\$ 41,546,836</b>

The accompanying notes are an integral part of this statement.

CITY OF PLAQUEMINE  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED OCTOBER 31, 2019

	<u>City Light &amp; Water</u>
<b>OPERATING REVENUES</b>	
Metered sales to general customers	\$ 14,358,305
Billings to municipality and utilities	571,702
Other operating revenue	33,875
<b>TOTAL OPERATING REVENUES</b>	<u>14,963,882</u>
<b>OPERATING EXPENSES</b>	<u>15,436,478</u>
<b>OPERATING INCOME</b>	<u>(472,596)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest Income	\$ 121,268
Miscellaneous	55,804
Rent	28,872
Finance charges	191,741
LEPA	10,509
Pension Expense	59,827
Interest expense	(264,415)
Paying agent fee	(7,447)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>196,159</u>
<b>INCOME BEFORE TRANSFERS</b>	<u>(276,437)</u>
<b>TRANSFERS</b>	
Transfers in	-
Transfers Out	(427,466)
<b>TOTAL TRANSFERS</b>	<u>(427,466)</u>
<b>CHANGE IN NET POSITION</b>	(703,903)
<b>NET POSITION - Beginning</b>	21,284,758
<b>NET POSITION - Ending</b>	<u>\$ 20,580,855</u>

The accompanying notes are an integral part of this statement.

City of Plaquemine  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended October 31, 2019

EXHIBIT H

	<b>City Light &amp; Water</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 15,108,998
Receipts from interfund	12,070
Payments to suppliers	(10,326,877)
Payments to employees	(3,235,123)
Payments to interfund	(400)
Other Payments	(147,452)
Net cash provided (used) by operating activities	<u>1,411,216</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Net operating transfers out to other funds	(427,466)
Non-operating receipts	286,926
Net cash provided (used) by noncapital financing activities	<u>(140,540)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(511,590)
Principal paid on revenue bond maturities	(853,000)
Interest paid on revenue bonds	(302,169)
Paying agent fees	(7,447)
Customer Deposits	1,040
Net cash provided (used) by capital and related financing activities	<u>(1,673,166)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	121,268
Net cash provided (used) by investing activities	<u>121,268</u>
Net increase (decrease) in cash and cash equivalents	(281,222)
Balances - beginning of year	7,309,904
Balances - end of the year	<u>\$ 7,028,682</u>
<b>SUMMARY OF CASH AND CASH EQUIVALENTS</b>	
Unrestricted cash and cash equivalents	\$ 4,379,137
Restricted cash and cash equivalents	2,649,545
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 7,028,682</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ (472,596)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	1,685,828
Pension expense adjustment	335,090
Changes in assets and liabilities:	
Accounts receivable	(5,564)
Prepaid expenses	150,680
Due from other funds	12,070
Inventory	(20,480)
Accounts payable	(89,996)
Due to other funds	(400)
Salaries & benefits payable	7,307
Accrued leave privileges	(190,723)
Net cash provided by operating activities	<u>\$ 1,411,216</u>

The accompanying notes are an integral part of this statement.

## **CITY OF PLAQUEMINE, LOUISIANA NOTES TO FINANCIAL STATEMENTS**

### **NOTE A: SIGNIFICANT ACCOUNTING POLICIES**

The City of Plaquemine was incorporated in 1878, under the provisions of Act 109 of the 1878 General Assembly. The City operates under a Mayor–Board of Selectmen form of government.

The accounting and reporting practices of the City of Plaquemine, Louisiana, conform to generally accepted accounting principles as applicable to governmental units on a consistent basis between periods. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The City's proprietary fund applies all Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements, in which case, GASB pronouncements prevail. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Municipal Audit and Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*, published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies and practices.

#### **Financial Reporting Entity**

As the municipal governing authority, for reporting purposes, the City of Plaquemine, Louisiana is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) the organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the City of Plaquemine, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include the following:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the municipality to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

## CITY OF PLAQUEMINE, LOUISIANA NOTES TO FINANCIAL STATEMENTS

### NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued

As required by generally accepted accounting principles, these financial statements present the City of Plaquemine, Louisiana (the primary government) and its component units. The component units included in the accompanying financial statements are discretely presented.

#### **Discretely Presented Component Units**

Component units that are legally separate from the municipality but are financially accountable to the municipality, or whose relationship with the municipality are such that exclusion would cause the municipality's financial statements to be misleading or incomplete are discretely presented. The "Component Units" column of the combined financial statements includes the financial data of these discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the municipality.

The following component unit is discretely presented in the accompanying financial statements: City Court of Plaquemine, Louisiana.

The City Court of Plaquemine was created under the provisions of Louisiana Revised Statute 13:2488,61. The City Judge and Marshal are elected by the voters of the City of Plaquemine and serve a term of six years as provided by Louisiana Revised Statutes 13:1872 and 13:1879, respectively. The City Court of Plaquemine has a December 31, 2018 year end.

City Court Judges and City Marshals are independently elected officials and are part of the operations of the City Court system. The City Court system is fiscally dependent on the municipality for office space and courtrooms. The substance of the relationship between the City Court system and the municipality is that the municipality has approval authority over its capital budget. In addition, the nature and significance of the relationship between the City Court system and the municipality is such that exclusion from the municipality's financial statements would render the financial statements incomplete or misleading. We conclude that City Court is component unit of the City of Plaquemine, Louisiana.

The December 31, 2018 audit report of the City Court of Plaquemine is shown in discrete presentation in the October 31, 2019 audit report of the City of Plaquemine, Louisiana. Copies of the component unit report can be obtained from the City Marshal or Judge.

The following presents the condensed financial statements for each of the discretely presented component units:

#### Condensed Balance Sheet:

	<u>Governmental</u>	<u>Fiduciary</u>
1. Current assets	\$ 79,728	\$ 92,537
2. Property, plant and equipment	-	-
3. Current liabilities	12,032	92,537



**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A: SIGNIFICANT ACCOUNTING POLICIES**, continued

**Condensed Statement of Revenues, Expenditures and Changes  
in Fund Balances for Component Unit - Governmental Funds:**

1. Revenues	\$ 440,505
2. Current expenditures	488,110
3. Capital outlay expenditures	-
4. Other financial sources (uses)	31,996
5. Excess (deficiency) of revenues and expenditures	(47,605)

**Fund Accounting**

The accounts of the City of Plaquemine are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds are grouped in the financial statements in this report into three generic fund types as follows:

**A. Governmental Funds**

1. General Fund

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.

2. Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, or major capital projects) that are legally restricted to expenditures for specific purposes.

3. Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

4. Capital Projects Fund

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by Proprietary and Trust Funds.

## CITY OF PLAQUEMINE, LOUISIANA NOTES TO FINANCIAL STATEMENTS

### NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued

#### **B. Proprietary Fund**

##### Enterprise Fund

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 the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

#### **C. Fiduciary Funds**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the municipality. Fiduciary funds include:

##### Agency Funds

Agency Funds account for assets that the municipality holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

#### **Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. the statement of net position and the statement of changes in net position) report information on all of the fiduciary activities of the City of Plaquemine and its component units. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the City of Plaquemine is reported separately from certain legally separate *component units* for which the City of Plaquemine is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

## CITY OF PLAQUEMINE, LOUISIANA NOTES TO FINANCIAL STATEMENTS

### NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met.

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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claim and judgments, are recorded only when payment is due.

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

City of Plaquemine, Louisiana reports the following governmental funds:

#### **Major Fund – General**

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

#### **Major Special Revenue Funds**

The *Sales Tax Revenue Fund* is the City's primary fund for maintenance and outlay of roads and bridges throughout the city. This fund is supported by parish-wide sales tax revenue.

#### **Major Debt Service Fund**

The *Sales Tax Bond Fund* accounts for the payment of principal and interest on bonds.

## CITY OF PLAQUEMINE, LOUISIANA NOTES TO FINANCIAL STATEMENTS

### NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued

#### Non-Major Special Revenue Funds

The *Housing Assistance Program Fund* accounts for the receipts and expenditures of funds received specifically for Housing Assistance from the U.S. Housing and Urban Development Department.

The *Building Maintenance Tax Fund* accounts for taxes received from 2.76 mills that were levied on property.

The *Police Equipment Tax Fund* accounts for taxes received from 2.76 mills that were levied on property.

The *Fire Department Capital Improvements Fund* accounts for the funds received from the Iberville Parish Council which are designated for the specific purpose of fire department capital expenditures.

#### Non-Major Debt Service Funds

The *Note Payables – 2014 and 2017 Fund* accumulates monies for the payment of police vehicles and a fire truck, due in annual installments, plus interest due semiannually, through maturity in 2017 through 2024, respectively.

#### Non-Major Capital Projects Fund

The *Street Improvement Fund* accounts for the major capital improvements on the streets.

#### Major Proprietary Fund

The *Utility Department Fund* accounts for the sale of electricity, water, gas and sewer to customers within the City of Plaquemine.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's utility department and various other functions of the government.

Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

## **CITY OF PLAQUEMINE, LOUISIANA NOTES TO FINANCIAL STATEMENTS**

### **NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued**

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.

#### **Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. "Measurable" meaning the amount of the transaction can be determined and "available" meaning collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenue available if collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when obligations are expected to be liquidated with expendable available financial resources. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual funds use the following practices in recording revenues and expenditures:

#### **A. Revenues**

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Federal and state grants are recorded when the City is entitled to the funds.

Interest income on time deposits are recorded when the time deposits have matured and the income is available.

Sales and use tax revenues are recorded in the month collected by the City.

Substantially all other revenues are recorded when received.

#### **B. Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt are recognized when due and compensated absences which are recognized when paid. Encumbrances are not recorded in the accounting records since no material amounts exist at year-end.



## **CITY OF PLAQUEMINE, LOUISIANA NOTES TO FINANCIAL STATEMENTS**

### **NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued**

#### **C. Other Financing Sources (Uses)**

Transfers between funds, which are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses). Transfers are recorded when received or paid.

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

#### **Basis of Presentation**

The accompanying financial statements of the City of Plaquemine, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### **Use of Estimates**

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

#### **Budget and Budgetary Accounting**

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

1. The City Accountant prepares a proposed budget and submits same to the Mayor and Board of Selectmen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

## CITY OF PLAQUEMINE, LOUISIANA NOTES TO FINANCIAL STATEMENTS

### NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued

5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Selectmen.

The chief executive or administrative officer must advise the governing authority when:

Total revenue collection by budgeted fund plus projected revenue collections for the remainder of the year fail to meet the estimated annual budgeted revenues by fund by more than 5%.

Total actual expenditures by budgeted fund plus projected expenditures for the remainder of the year exceed the total estimated budgeted expenditures by fund by more than 5%.

Actual beginning fund balance fails to meet the estimated beginning fund balance by more than 5%.

6. All budgetary appropriations lapse at the end of each fiscal year.
7. A budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Selectmen. A budget for the enterprise fund was prepared.

Budgets for the Debt Service Funds and Recreation Fund were not prepared for the year ended October 31, 2019.

Budgets for the Housing Assistance Program are approved by the Department of Housing and Urban Development and not formally adopted by the City of Plaquemine.

Budgetary data for discretely presented component units are not presented in Combined Statement of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual.

### **Assets, Liabilities, and Net Position or Equity**

#### **A. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

#### **B. Receivables and Payables**

Customer receivables include amounts due from customers for the use of utilities. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts. The estimated amount is based on billings during the month following the close of the year. Customer accounts receivable of \$1,932,597 is reported net of a \$59,238 allowance for uncollectible accounts for the year ended October 31, 2019.

**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A: SIGNIFICANT ACCOUNTING POLICIES**, continued

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**C. Inventory**

Engine fuel and gasoline inventory is stated at cost (FIFO) based on an estimated number of gallons unused at year end.

In the governmental fund types, inventories of supplies are recorded as expenditures at the time of purchase. Inventories of business-type activities are stated at cost that approximates market value using the weighted average method.

**D. Prepaid Expenses**

Payments made to vendors for services that will benefit periods beyond October 31, 2019 are recorded as prepaid expenses.

**E. Restricted Assets**

Restricted assets include cash and cash equivalents that are legally restricted as to their use. The restricted assets are related to customers' deposits and bond resolution requirements.

**F. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and estimated useful lives in excess of 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.



# CITY OF PLAQUEMINE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

### NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued

Property, plant and equipment for the primary government, as well as the component units and enterprise funds, is depreciated using the straight-line method using the following useful lives:

Asset Class	Governmental Funds	Enterprise Funds
Buildings	40 Years	25-50 Years
Infrastructure	40 Years	N/A
Water/Gas/Sewerage Systems	N/A	5-50 Years
Furniture and Fixtures	5 -10 Years	3-15 Years
Vehicles	5 Years	4-8 Years

#### **G. Investments**

Under state law, the City of Plaquemine may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at market value.

#### **H. Vacation and Sick Leave**

It is the City's policy to permit employees to accumulate earned but unused vacation (unlimited) and sick pay (60 days) benefits. No liability is recorded for unpaid accumulated sick leave. Vacation pay is accrued when incurred in proprietary funds and recorded as a liability. For governmental fund types, the City's liability has been recorded on the Statement of Net Position.

#### **I. Amortization**

Bond premiums associated with bond issues are being amortized over the life of the issue.

#### **J. Allocation of Administrative and General Expenses**

Administrative and general expenses are allocated to each individual utility system based on the percentage of each system's operating revenues to the total operating revenues for the entire Enterprise Fund.

#### **K. Long Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds Payable are reported net of applicable bond premium discount.

## CITY OF PLAQUEMINE, LOUISIANA NOTES TO FINANCIAL STATEMENTS

### NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### **L. Net Position**

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

*Invested in Capital Assets, Net of Related Debt* – This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes, or other borrowings attributable to the acquisition, construction, or improvement of capital assets.

*Restricted Net Position* – Assets are reserved by external sources, such as banks or by law, are reported separately as restricted net position.

*Unrestricted Net Position* – This category represents all assets not invested in capital assets or restricted.

#### **M. Fund Balance**

City of Plaquemine, Louisiana elected to implement GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, fund balance of the governmental funds is classified as follows:

*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.

*Restricted* – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – Amounts that can be used only for specific purposes determined by a formal action of the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Councilmen.

*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.

*Unassigned* – All other spendable amounts.

# CITY OF PLAQUEMINE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

### NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued

As of October 31, 2019, fund balances were composed of the following:

	General Fund	Sales Tax Revenue	Sales Tax Payable	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid items	\$ 79,153	\$ -	\$ -	\$ 36	\$ 79,189
Restricted:					
Sales Tax Payable	-	-	5,190,266	-	5,190,266
HUD	-	-	-	-	-
Police Equipment	-	-	-	68,649	68,649
Building Maintenance	-	-	-	338,907	338,907
Fire Dept	-	-	-	204,202	204,202
Committed:					
Capital Outlay	-	-	-	143,490	143,490
2019-2020 Budget	1,716,815	-	-	-	1,716,815
Assigned	-	503,082	-	-	503,082
Unassigned	3,582,361	-	-	-	3,582,361
Total Fund Balances	<u>\$ 5,378,329</u>	<u>\$ 503,082</u>	<u>\$ 5,190,266</u>	<u>\$ 755,284</u>	<u>\$ 11,826,961</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considered 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 or the finance committee has provided otherwise in its commitment or assignment actions.

### N. Pension Plans

The City of Plaquemine is a participating employer in multiple cost-sharing, multiple-employer defined benefit pension plans as described in Note L. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

## CITY OF PLAQUEMINE, LOUISIANA NOTES TO FINANCIAL STATEMENTS

### NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued

#### O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City does not have an item that meets this criterion. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as revenue until then. The City has no items that meet the criterion for this category. The governmental funds report unavailable revenue from property taxes and state revenue sharing. These amounts are deferred and recognized as an inflow of resources in the period that amounts become available.

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

### NOTE B: CASH AND CASH EQUIVALENTS

For reporting purposes, cash and cash equivalents include cash, demand deposits, time deposits and certificates of deposit. Under state law, the City of Plaquemine, may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, or any other state in the Union, or the laws of the United States. Further, the City of Plaquemine may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

For the year ended October 31, 2019, the City of Plaquemine entered into a fiscal agency contract with four (4) commercial banks domiciled within Iberville Parish. The contract provided that all deposits of the participating units (see below) are to be in Super NOW (negotiable orders of withdrawal) accounts paying a market rate of interest which approximates the interest rate on 13-week U.S. Treasury Bills. The contract called for participation by the banks in the ratio of their relative capital and surplus at October 31, 2019. The names of the banks and their participation percentages in the fiscal agency contract are as follows:

The First	22.20%
Citizens Bank & Trust Company	34.77%
Plaquemine Bank & Trust Company	29.38%
Anthem Bank & Trust Company	13.65%

Under the contract, Plaquemine Bank acted as the servicing bank or agent for the other banks and served as a clearinghouse for all deposits and withdrawals of the City. Each participating bank is to maintain an account in the name of the City and is required to pledge securities in excess of federal deposit (FDIC) insurance to protect the deposits of the City.

# **CITY OF PLAQUEMINE, LOUISIANA** **NOTES TO FINANCIAL STATEMENTS**

## **NOTE B: CASH AND CASH EQUIVALENTS**, continued

It has not been determined whether the component unit has a fiscal agency agreement of its own. Consequently, the information that follows refers only to the City's fiscal agency agreement.

At October 31, 2019, the City of Plaquemine has bank balances totaling \$17,235,350 and book balances totaling \$17,064,518 which includes restricted book balances of \$2,649,545. This amount is restricted for customer deposits and bond servicing.

Each of the four banks participating in the fiscal agency contract maintains an account in the name of the City of Plaquemine, and thus has separate federal deposit insurance for that account in the amount of \$250,000 for checking and savings accounts for a total of \$1,000,000 FDIC insurance. Any excess of deposits over federal deposit insurance must be secured under state law by the pledge of bank owned securities. The market value of the pledged securities plus the federal deposit insurance must at all times be at least equal to the amount on deposit with the banks. The pledged securities are held in the name of the pledging banks in an independent custodial bank that is mutually acceptable to the parties involved.

The following is a summary of cash and cash equivalents of the City of Plaquemine included in the fiscal agency contract at October 31, 2019, with the related federal deposit insurance and pledged securities:

	Bank Balances 10/31/2019	FDIC Insurance	Balances Uninsured
Cash	\$ 17,235,350	\$ 1,000,000	\$ 16,235,350
Uncollateralized Securities pledged and held by custodial banks in the name of fiscal agent banks, at fair market value, at 10-31-19			17,007,316
Excess of FDIC insurance and pledged securities over cash at 10-31-19			\$ 771,966

At December 31, 2018, the carrying amount of deposits for the City Court, a discretely presented component unit, was \$142,650 and the bank balance was \$185,528. The entire bank balance was covered by federal depository insurance.

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

**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE C: RECEIVABLES & DUE FROM GOVERNMENTAL UNITS**

The receivables at October 31, 2019 are as follows:

Description	Governmental Activities	Business-Type Activities
US Drug Enforcement Agency	\$ 5,925	\$ -
LA Dept of Motor Vehicles	6,795	-
LA Hwy and Safety Commission	-	-
Iberville Parish Council	-	-
Sales taxes due from Iberville Parish	762,955	-
LA Commission on Law Enforcement	13,727	-
Video poker taxes from Louisiana State Treasurer's Office	8,583	-
Fines	515	-
Copac	400	-
Code Enforcement	104,554	-
Charges for services	-	1,932,597
Department of Justice	-	-
City Court	1,200	-
Refunds (insurance and other)	59,041	-
	<u>\$ 963,695</u>	<u>\$ 1,932,597</u>

**NOTE D: RESTRICTED ASSETS – PROPRIETARY FUND TYPE**

Restricted assets of the Utility Department Fund were applicable to the following at October 31, 2019:

	<u>2019</u>
Cash and Cash Equivalents:	
Customer meter deposits	\$ 1,396,197
Bond accounts	1,253,348
Total	<u>\$ 2,649,545</u>



**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE D: RESTRICTED ASSETS – PROPRIETARY FUND TYPE, continued**

The following schedule summarizes the current year transactions in the major categories of these reserved accounts:

	<u>Sinking Fund</u>	<u>Reserve Fund</u>	<u>Construction</u>	<u>Totals</u>
<b>Beginning balance</b>	\$ 1,518,063	\$ 290,290	\$ 2,976	\$ 1,811,329
<b>Add:</b>				
Bond funds	-	-	-	-
Transfers from other funds	864,958	-	-	864,958
Interest earned	14,546	6,249	-	20,795
<b>Total funds available</b>	<u>2,397,567</u>	<u>296,539</u>	<u>2,976</u>	<u>2,697,082</u>
<b>Less:</b>				
Principal payments	853,000	-	-	853,000
Interest payments	266,177	-	-	266,177
Transfer to other funds	-	-	-	-
Cash Disbursement	324,425	-	-	324,425
Trustee Fees	100	-	32	132
<b>Ending balance</b>	<u>\$ 953,865</u>	<u>\$ 296,539</u>	<u>\$ 2,944</u>	<u>\$ 1,253,348</u>

**NOTE E: CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	<u>Primary Government</u>			
	<u>Balance</u>			<u>Balance</u>
	<u>10/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>10/31/2019</u>
Land	\$ 1,253,358	\$ 102,911	\$ -	\$ 1,356,269
Buildings	4,238,799	-	-	4,238,799
Improvements other than buildings	7,449,976	945,876	-	8,395,852
Infrastructure	26,154,893	-	-	26,154,893
Equipment	8,135,989	356,241	-	8,492,230
Furniture and fixtures	264,124	2,918	-	267,042
<b>Total Capital Assets</b>	<u>\$ 47,497,139</u>	<u>\$ 1,407,946</u>	<u>\$ -</u>	<u>\$ 48,905,085</u>



**CITY OF PLAQUEMINE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE E: CAPITAL ASSETS, continued**

<b>Primary Government</b>					
	<b>Accumulated Depreciation Balance 10/31/2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Accumulated Depreciation Balance 10/31/2019</b>	<b>Capital Assets Net of Accumulated Depreciation</b>
Land	\$ -	\$ -	\$ -	\$ -	\$ 1,356,269
Buildings	2,214,619	153,718	-	2,368,337	1,870,462
Improvements other than buildings	3,292,502	301,076	-	3,593,578	4,802,274
Infrastructure	10,862,806	608,979	-	11,471,785	14,683,108
Equipment	6,269,820	506,613	-	6,776,433	1,715,797
Furniture and fixtures	258,036	2,725	-	260,761	6,281
<b>Total Accumulated Depreciation</b>	<b>\$ 22,897,783</b>	<b>\$ 1,573,111</b>	<b>\$ -</b>	<b>\$ 24,470,894</b>	<b>\$ 24,434,191</b>

	Cost	Component Unit				Capital Assets Net of Accumulated Depreciation
		Accumulated Depreciation Balance 1/1/2018	Additions	Deletions	Accumulated Depreciation Balance 12/31/2018	
Equipment and furniture	\$ 142,903	\$ 142,903	\$ -	\$ -	\$ 142,903	\$ -
Total	\$ 142,903	\$ 142,903	\$ -	\$ -	\$ 142,903	\$ -

A summary of the changes in proprietary type property, plant and equipment at October 31, 2019 is as follows:

<b>Proprietary</b>					
	<b>Balance 10/31/2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Reclass- ifications</b>	<b>Balance 10/31/2019</b>
Land	\$ 363,626	\$ -	\$ -	\$ -	\$ 363,626
Construction in progress	-	236,260	-	-	236,260
Buildings	1,267,730	-	-	-	1,267,730
Equipment	4,359,972	206,189	-	-	4,566,161
Furniture and fixtures	316,288	15,759	-	-	332,047
Utility plant and equipment					
Electric generation / distribution system	29,983,503	-	-	-	29,983,503
Water pumping / distribution system	7,076,069	53,381	-	-	7,129,450
Sewerage system	24,887,610	-	-	-	24,887,610
Natural gas distribution system	1,243,327	-	-	-	1,243,327
Right of way	211,000	-	-	-	211,000
	<b>\$ 69,709,125</b>	<b>\$ 511,589</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,220,714</b>

**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE E: CAPITAL ASSETS, continued**

	ACCUMULATED DEPRECIATION				
	Accumulated Depreciation 10/31/2018	Additions	Deletions	Accumulated Depreciation 10/31/2019	Net of Accumulated Depreciation
Land	\$ -	\$ -	\$ -	\$ -	\$ 363,626
Construction in progress	-	-	-	-	236,260
Buildings	942,427	71,278	-	1,013,705	254,024
Equipment	4,000,142	159,188	-	4,159,330	406,831
Furniture and fixtures	264,377	15,732	-	280,109	51,939
Utility plant and equipment					
Electric generation / distribution system	19,727,951	554,744	-	20,282,695	9,700,808
Water pumping / distribution system	5,105,987	161,433	-	5,267,420	1,862,030
Sewerage system	6,370,027	715,790	-	7,085,817	17,801,793
Natural gas distribution system	1,203,916	7,662	-	1,211,578	31,749
Right of way	-	-	-	-	211,000
	<u>\$ 37,614,827</u>	<u>\$ 1,685,827</u>	<u>\$ -</u>	<u>\$ 39,300,654</u>	<u>\$ 30,920,060</u>

There was no capitalized interest for the year ended October 31, 2019.

**NOTE F: ACCOUNTS PAYABLE AND OTHER PAYABLES**

A summary of payables at October 31, 2019 is as follows:

Class of Payables	General Fund	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Proprietary Fund
Accounts payable	\$ 183,104	\$ 9,170	\$ 26,605	\$ -	\$ 578,552
Accrued expenses	94,903	-	5,447	-	61,886
Total	<u>\$ 278,007</u>	<u>\$ 9,170</u>	<u>\$ 32,052</u>	<u>\$ -</u>	<u>\$ 640,438</u>

**NOTE G: ACCRUED LEAVE PRIVILEGES**

The following is a summary of changes in accumulated leave privileges for the year ended October 31, 2019:

	Governmental Activities	Business-type Activities	Total
Balance at 10-31-18	\$ 451,209	\$ 624,424	\$ 1,075,633
Increase (decrease) in accumulated sick leave	(4,625)	(190,723)	(195,348)
Balance at 10-31-19	<u>\$ 446,584</u>	<u>\$ 433,701</u>	<u>\$ 880,285</u>

**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE H: BOND PREMIUM**

The City issued \$4,885,000 of sale tax bonds dated November 21, 2013. The bonds were issued for the purpose of (i) refunding the entire principal amount of its outstanding Utilities Revenue Bonds, Series 2000A, Utilities Revenue Bonds, Series 2000B, and Bond Anticipation Notes, Series 2012; (ii) constructing and acquiring extensions and improvements to the City's combined waterworks plant and system, sewerage system, natural gas system and electric plant and system; and (iii) paying the cost of issuance of the bonds. The bonds were issued at a \$168,454 premium which was being amortized over an 18-year period using the effective interest rate method as follows:

Bond Premium 11/1/18	\$ 168,454
Amortization of premium	<u>(69,580)</u>
Net Premium 10/31/19	<u><u>\$ 98,874</u></u>

The City signed a purchase agreement for \$2,380,000 of sales tax bonds dated as of the delivery date, December 14, 2017. The bonds are being used for the purpose of (i) refunding the entire principal amount of its outstanding Sales Tax bonds, Series 2008, (ii) funding a reserve, and (iii) paying costs of issuance of the Bonds. The bonds were issued at a \$189,450 premium which was being amortized over a 15 year period using the effective interest rate method as follows:

Bond Premium 12/14/17	\$ 189,450
Amortization of premium	<u>(29,320)</u>
Net Premium 10/31/19	<u><u>\$ 160,130</u></u>

**NOTE I: CHANGES IN LONG-TERM OBLIGATION**

The following is a summary of long-term debt transactions for the year ended October 31, 2019:

	General Obligation Bonds	Note Payable	Total
Long-term bonds payable 11-1-18	\$ 23,704,000	\$ 453,371	\$ 24,157,371
Bond proceeds	-	131,843	131,843
Bonds retired or transferred to current liabilities	<u>(1,448,000)</u>	<u>(148,155)</u>	<u>(1,596,155)</u>
Long-term bonds payable 10-31-19	<u><u>\$ 22,256,000</u></u>	<u><u>\$ 437,059</u></u>	<u><u>\$ 22,693,059</u></u>

# CITY OF PLAQUEMINE, LOUISIANA NOTES TO FINANCIAL STATEMENTS

## NOTE I: CHANGES IN LONG-TERM OBLIGATION, continued

Long-term debt at October 31, 2019 is comprised of the following individual issues:

### GENERAL OBLIGATION BONDS

\$3,330,000 Sales Tax Refunding bonds dated 10-28-08; due in annual installments of \$95,000-\$245,000 beginning Dec. 1, 2012 through Dec. 1, 2032. Interest at 4.25%-4.75% payable semiannually.	\$ -
\$12,340,000 Sales Tax Refunding bonds dated 7-1-10; due in annual installments at \$440,000-\$995,000 beginning Dec. 1, 2012 through Dec. 1, 2029. Interest at 3.000%-4.125%, payable semiannually.	8,750,000
Sales Tax bonds, Series 2010; not to exceed \$1,500,000; total draws of \$1,443,439; interest rate 0.95% payable semiannually beginning 12/1/12 and ending 12/1/30; due in annual principal installments of \$68,000-\$82,000 through Dec. 1, 2030.	935,000
Sales Tax bonds, Series 2013; not to exceed \$8,000,000; total draws of \$1,032,287; interest rate 0.45% payable semiannually beginning 6/1/13. This loan will be refinanced at completion of construction and annual principal payments will be scheduled based on the amount drawn.	6,636,000
\$4,885,000 Sales Tax Revenue & Refunding Bonds, Series 2013 dated 11/21/13; due in annual installments of \$215,000-\$405,000 beginning 12/1/14 through 12/1/32; Interest at 1%-5% payable semiannually beginning 6/1/14.	3,555,000
\$2,380,000 Sales Tax Revenue & Refunding Bonds, Series 2017 dated 12/14/17, due in annual installments of \$130,000-\$215,000 beginning 12/1/19 through 12/1/32; Interest at 3%-4% payable semiannually beginning 12/1/18.	2,380,000
	<u>\$ 22,256,000</u>

### NOTE PAYABLE

\$33,816 equipment lease purchase (police cars) dated 9/06/19; due in three annual installments of \$12,032 through 9/06/21 interest at 6.9% payable annually.	\$ 21,784
\$60,481 equipment lease purchase (police cars) dated 1/10/19; due in annual installments of \$21,491 through 1/10/21; interest at 6.75% payable annually.	38,991

**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE PAYABLE**

\$37,545 equipment lease purchase (police cars) dated 3/30/19; due in three annual installments of \$13,250 through 3/30/21; interest at 5.99% payable annually.	\$ 24,296
\$630,000 equipment lease purchase (fire trucks) dated 6/20/14; due in annual installments of \$75,280 through 6/20/24; interest at 2.93% payable annually.	339,316
\$22,526 equipment lesase purchase (tazers) dated 11/1/17 due in four annual installments of \$4,224 through 2021; payable annually.	12,672
	<u>\$ 437,059</u>

The annual requirements to amortize all debt outstanding as of October 31, 2019 including interest payments and *administrative* fees of \$4,574,824 are as follows:

Year Ending October 31	General Obligation Bonds	Note Payable	Total
2020	\$ 2,106,002	\$ 126,277	\$ 2,232,279
2021	2,102,842	126,277	2,229,119
2022	2,100,208	79,504	2,179,712
2023	2,096,244	75,280	2,171,524
2024	2,094,795	75,280	2,170,075
2025	2,089,568	-	2,089,568
2026	2,083,303	-	2,083,303
2027	2,085,471	-	2,085,471
2028	2,080,190	-	2,080,190
2029	2,072,271	-	2,072,271
2030	2,064,544	-	2,064,544
2031	1,114,648	-	1,114,648
2032	1,111,804	-	1,111,804
2033	1,109,132	-	1,109,132
2034	474,242	-	474,242
	<u>\$ 26,785,264</u>	<u>\$ 482,618</u>	<u>\$ 27,267,882</u>

# CITY OF PLAQUEMINE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

### NOTE J: AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property in June of each year. Taxes are levied by the City in October or November and are actually billed to the taxpayers in December. Billed taxes become delinquent on December 31 of the following calendar year. Revenues are budgeted in the fiscal year billed.

The Iberville Parish Sheriff's Office bills and collects property taxes using the assessed values determined by the tax assessor or Iberville Parish. For the year ended October 31, 2019, the City levied taxes of 11.05 mills on property assessed valuations totaling \$36,627,835. These were dedicated as follows:

General corporate purposes	4.85 mills
Building maintenance	3.10 mills
Police equipment	3.10 mills

Total taxes levied were \$404,741, where approximately \$397,334 were collected for the fiscal year ended October 31, 2019. The Iberville Parish Sheriff's Office received a commission of \$8,108.

### NOTE K: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivable and payable representing short-term borrowing at October 31, 2019 were as follows:

Fund	Interfund Receivables	Interfund Payables	Total Governmental Activities (Net)	Total Business-Type Activities (Net)
General Fund	\$ 4,220,091	\$ (5,885)	\$ 4,214,206	\$ -
Major Funds:				
Sales Tax Revenue	-	(4,396,782)	(4,396,782)	-
Sales Tax Bond Fund	1,186,288	-	1,186,288	(999,601)
Fire Department Capital	-	(9,996)	(9,996)	-
Non Major Funds:				
Street Improvement	5,885	(253)	5,632	253
Housing and Urban Development	-	(2,847)	(2,847)	2,847
Safe Haven	-	-	-	-
Building Maintenance Fund	-	-	-	-
Police Equipment Fund	-	-	-	-
<b>Total</b>	<u>5,412,264</u>	<u>(4,415,763)</u>	<u>\$ 996,501</u>	
Major:				
Proprietary Fund	<u>3,099</u>	<u>(999,600)</u>		<u>\$ (996,501)</u>

The outstanding balances between funds result mainly from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE K: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS, continued**

The following is an analysis of interfund transfers at October 31, 2019:

Transfers In	Primary Government Transfers Out:					
	Major Governmental Funds			Non Major Government	Proprietary Fund	Total
	General	Sales Tax Revenue	Sales Tax Payable			
General Fund	\$ -	\$ 6,195,894	\$ -	\$ 253,288	\$ 273,427	\$ 6,722,609
Major Governmental:						
Sales Tax Revenue	-	-	-	-	-	-
Sales Tax Payable	-	2,176,757	-	-	-	2,176,757
Non Major Funds	-	-	825,000	117,622	154,038	1,096,660
	<u>\$ -</u>	<u>\$ 8,372,651</u>	<u>\$ 825,000</u>	<u>\$ 370,910</u>	<u>\$ 427,465</u>	<u>\$ 9,996,026</u>

The principal purpose of the above interfund transfers is to supplement revenues for ongoing operations and to supplement future capital outlay purchases.

**NOTE L: PENSION PLAN**

The City of Plaquemine's office implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting Related to Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require that the City of Plaquemine's office to record its proportional share of each of the pension plan's Net Pension Liability and report the following disclosures:

Substantially all employees of the City of Plaquemine are members of either, the Municipal Employees Retirement System of Louisiana, the Municipal Police Employee's Retirement System of Louisiana, the Firefighters' Retirement System, or the Louisiana State Employees' Retirement System. The systems are cost-sharing, multiple-employer defined benefit pension plan administered by separate boards of trustees. Pertinent information relative to each plan follows:

**Municipal Employees Retirement System of Louisiana (MERS)**

**Plan Description:**

All of the City's full-time general employees participate in the MERS, a multiple-employer, cost-sharing pension plan administered by a separate board of trustees. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana to provide retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. MERS has issued a stand-alone audit report on their financial statements for the year ended June 30, 2019. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.la.gov](http://www.la.la.gov).



**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE L: PENSION PLAN, continued**

**Retirement Benefits:**

Any member of Plan A who was commenced participation in the System prior to January 1, 2013 can retire providing the member meets one of the following criteria: (1) any age with twenty-five (25) or more years of creditable service, (2) Age 60 with a minimum of ten (10) years of creditable service, (3) any age with twenty (20) years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlines in the statutes, the benefits are limited to specified amounts. An additional regular retirement benefit can be received for any city marshal or deputy city marshal.

Any member of Plan A Tier 2 can retire providing he or she meets one of the following requirements: (1) Age 67 with seven years of creditable service; (2) Age 62 with ten years of creditable service; (3) Age 55 with thirty years of creditable service; (4) Any age with twenty-five (25) years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

Generally, the monthly amount of retirement allowance for any member of Plan A Tier 2 shall consist of an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outline in the statutes, the benefits are limited to specified amounts. Any city marshal or deputy city marshal shall receive an additional regular benefit computed on supplemental marshal's earnings.

**Survivor Benefits:**

Upon death of any member of Plan A with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and/or minor children as outlined in the statutes.

Any member of Plan A who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE L: PENSION PLAN**, continued

**DROP Benefits:**

In lieu of terminating employment and accepting a service retirement allowance any member of Plan A who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits would be payable, had the person elected to cease employment and received a service retirement allowance, are paid into the DROP fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if non, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

**Disability Benefits:**

For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of (1) an amount equal to three percent of his final compensation multiplied by his years of creditable service, but not less than forty-five percent of his final compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

**Cost of Living Increases:**

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE L: PENSION PLAN, continued**

**Deferred Benefits:**

Plan A provides for deferred benefits for members who terminate before becoming eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

**Employer Contributions:**

Contributions for all plan members are established by statute. Member contributions are at 9.50% of earnable compensation for Plan A. The contributions are deducted from the member's salary and remitted by the participating municipality. According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2019, the actual employer contribution rate was 26.00% for Plan A.

According to state statute, the System also received one-fourth (1/4) of 1% of ad valorem taxes collected within the respective parishes, except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Tax monies received from East Baton Rouge Parish are apportioned between the Municipal Employee's Retirement System and the Employee's Retirement System of The City of Baton Rouge. The System also receives revenue sharing funds each year as apportioned by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities. Administrative costs of the System are financed through employer contributions.

Plan members are required by state statute to contribute 9.50 percent of their annual covered salary to the System, and the City of Plaquemine is required to make contributions at an actuarially determined rate. The rate paid by the City during the past fiscal period was 26.00% from November 1, 2018 through June 30, 2019 and 27.75% from July 1, 2019 through October 31, 2019 of annual covered payroll. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the MERS during the years ended October 31, 2019, 2018, and 2017, totaled \$796,781, \$726,780, and \$654,009, respectively,

**Pension Liabilities, Pension Expense, and Deferred Outflows and Resources and Deferred Inflows of Resources:**

At October 31, 2019, the City reported a liability of \$2,797,995 for its governmental activities and \$3,895,774 for its business-type activities for its proportionate share of the net pension liability for MERS, totaling \$6,693,769. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the City's proportion for MERS was 1.601893%, which was an increase of 1.547111% from its proportion measured as of June 30, 2018.

**CITY OF PLAQUEMINE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE L: PENSION PLAN, continued**

For the year ended October 31, 2019, the City recognized pension expense of \$601,622 for its governmental activities for MERS less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$27,902), and recognized pension expense of \$837,664 for its business-type activities for MERS less employer's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions, (\$38,849).

At October 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for its governmental activities and business-type activities for MERS from the following sources:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ (68,268)	\$ -	\$ (95,053)
Changes of assumptions	70,709	-	98,450	-
Net difference between projected and actual earnings on pension plan investments	277,501	-	386,378	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	62,210	(24,900)	86,617	(34,669)
Employer contributions subsequent to the measurement date	333,054	-	463,727	-
<b>Total</b>	<b>\$ 743,474</b>	<b>\$ (93,168)</b>	<b>\$ 1,035,172</b>	<b>\$ (129,722)</b>

The City reported a total for MERS of \$333,054 for its governmental activities and \$463,727 for its business-type activities as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2019, which will be recognized as a reduction in net pension liability for the year ended October 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
2020	\$ 184,172	\$ 256,430
2021	74,346	103,516
2022	35,438	49,342
2023	23,296	32,435
	<b>\$ 317,252</b>	<b>\$ 441,723</b>

# CITY OF PLAQUEMINE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

### NOTE L: PENSION PLAN, continued

#### Actuarial Assumptions:

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples included assumptions about future employment mortality and future salary increases. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and net estimates are made about the future. The actuarial assumptions used in the June 30, 2019 valuation was based on the results of an actuarial experience study, for the period July 1, 2013 through June 30, 2018.

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

<b>Valuation Date</b>	June 30, 2019
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining Service Lives</b>	3 years for Plan A
<b>Investment Rate of Return</b>	7.0%, net of pension plan investment expense, including inflation
<b>Inflation Rate</b>	2.500%
<b>Salary increases, including inflation and merit increases</b>	1 to 4 years of service = 6.4% More than 4 years of service = 4.5%
<b>Annuitant and beneficiary mortality</b>	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
<b>Employee mortality</b>	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
<b>Disabled lives mortality</b>	PubNS-2010(B) Disabled Retirees Table set equal to 120% for males and females with the full generational MP2018 scale.

#### Discount Rate:

The long-term expected rate of return on pension plan investments 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 expense 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 real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the following table:



**CITY OF PLAQUEMINE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE L: PENSION PLAN**, continued

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Portfolio Real Rate of Return</b>
Public equity	50%	2.15%
Public fixed income	35%	1.51%
Alternatives	15%	0.64%
Totals	100%	4.30%
Inflation		2.70%
Expected Arithmetic Nominal Return		7.00%

The discount rate used to measure the total pension liability was 7.0% for the year ended June 30, 2019. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The effects of certain other changes in the net pension liability are required to be included in pension expenses over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in the pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period.

# CITY OF PLAQUEMINE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

### NOTE L: PENSION PLAN, continued

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

The following table represents the City's proportionate share of the net pension liability (NPL) using the discount rate for MERS as well as the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage higher than the current rate used by MERS:

<b>Governmental Activities</b>			
	<b>1.0% Decrease 6.000%</b>	<b>Current Discount Rate 7.000%</b>	<b>1.0% Increase 8.000%</b>
Net Pension Liability	\$ 3,648,085	\$ 2,797,995	\$ 2,079,271

  

<b>Business-Type Activities</b>			
	<b>1.0% Decrease 6.000%</b>	<b>Current Discount Rate 7.000%</b>	<b>1.0% Increase 8.000%</b>
Net Pension Liability	\$ 5,079,392	\$ 3,895,774	\$ 2,895,061

#### **Municipal Police Employees Retirement System of Louisiana (MPERS)**

##### **Plan Description:**

All of the City's full-time police employees participate in the MPERS, a multiple-employer, cost-sharing, defined benefit pension plan administered by a separate board of trustees. MPERS was established by Act 189 of 1973 and amended by LRS 11:2211-11:2233 to provide retirement, disability, and survivor benefits to municipal police officers of Louisiana. Benefits are established and amended by state statute. MPERS issued a stand-alone audit report on its financial statements for the year ended June 30, 2019. Access to the audit report can be found on the System's website: [www.lampers.org](http://www.lampers.org) or on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://www.lla.state.la.us).

##### **Retirement Benefits:**

**Membership Prior to January 1, 2013.** A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years of creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are 3.33% of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.



## CITY OF PLAQUEMINE, LOUISIANA NOTES TO FINANCIAL STATEMENTS

### NOTE L: PENSION PLAN, continued

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

**Membership Commencing January 1, 2013.** Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% (generally) and 2.50%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 25% to 55% of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives 10% of average final compensation or \$200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

#### **Cost of Living Adjustments:**

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

A COLA may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

## **CITY OF PLAQUEMINE, LOUISIANA NOTES TO FINANCIAL STATEMENTS**

### **NOTE L: PENSION PLAN, continued**

#### **Deferred Retirement Option Plan:**

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is 36 months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate.

#### **Initial Benefit Option Plan:**

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

#### **Employer Contributions:**

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

For the year ended June 30, 2019, total contributions due for employers and employees was 40.75%. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 32.25% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 32.25% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than the poverty guidelines were 34.75% and 7.50%, respectively.

# CITY OF PLAQUEMINE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

### NOTE L: PENSION PLAN, continued

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended June 30, 2019, and excluded from pension expense.

Plan members are required by state statute to contribute 10.00 percent of their annual covered salary to the System, and the City of Plaquemine is required to make contributions at an actuarially determined rate. The rate paid by the City during the past fiscal period was 32.25 percent from November 1, 2018 through June 30, 2019 and 32.50 percent from July 1, 2019 through October 31, 2019 of annual covered payroll. The contribution requirements of plan members and the City of Plaquemine are established and amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the MPERS during the years ended October 31, 2019, 2018, and 2017, total \$298,557, \$290,373, and \$280,976, respectively.

#### **Pension Liabilities, Pension Expense, and Deferred Outflows and Resources and Deferred Inflows of Resources:**

At October 31, 2019, the City reported a liability of \$2,534,023 for its proportionate share of the net pension liability for MPERS. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the City's proportion for MPERS was .279026%, which was a decrease of .04424% from its proportion measured as of June 30, 2018.

For the year ended October 31, 2019, the City recognized pension expense of \$358,183 for MPERS less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$1,672). At October 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for MPERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 5,317	\$ (77,961)
Changes of assumptions	142,002	-
Net difference between projected and actual earnings on pension plan investments	164,631	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	39,778	(295,032)
Employer contributions subsequent to the measurement date	298,557	-
	<hr/>	<hr/>
Total	<u>\$ 650,285</u>	<u>\$ (372,993)</u>

# **CITY OF PLAQUEMINE, LOUISIANA** **NOTES TO FINANCIAL STATEMENTS**

## **NOTE L: PENSION PLAN, continued**

The City reported a total for MPERS of \$298,557 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2019, which will be recognized as a reduction in net pension liability for the year ended October 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	
2020	\$ 42,371
2021	(81,538)
2022	(23,197)
2023	41,099
	<u>\$ (21,265)</u>

### **Actuarial Assumptions:**

The actuarial assumptions used in the June 30, 2019 valuation were based on the assumptions used in the June 30, 2019 actuarial funding valuation and were based on the results of an actuarial experience study for the period of July 1, 2009 through June 30, 2014. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience. A summary of actuarial methods and assumptions used in determining the total net pension liability for MPERS as of June 30, 2019 is as follows:

Inflation Rate	2.50%									
Expected Remaining Service Lives	4 years									
Investment Rate of Return	2.50%									
Projected Salary Increases	<table><tr><th><u>Years of Service</u></th><th><u>Salary Growth Rate</u></th></tr><tr><td>1 - 2</td><td>9.75%</td></tr><tr><td>3 - 23</td><td>4.75%</td></tr><tr><td>Over 23</td><td>4.25%</td></tr></table>	<u>Years of Service</u>	<u>Salary Growth Rate</u>	1 - 2	9.75%	3 - 23	4.75%	Over 23	4.25%	
<u>Years of Service</u>	<u>Salary Growth Rate</u>									
1 - 2	9.75%									
3 - 23	4.75%									
Over 23	4.25%									
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants. RP-2000 Employee Table set back 4 years for males and 3 years for females for active members.									
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.									



# CITY OF PLAQUEMINE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

### NOTE L: PENSION PLAN, continued

#### **Mortality Rate:**

The mortality rate assumption used was verified by upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables.

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2019 are summarized in the following table:

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

#### **Discount Rate:**

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

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

The following table represents the City's proportionate share of the net pension liability (NPL) using the discount rate for MPERS as well as the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage higher than the current rate used by MPERS:

	1.0% Decrease 6.125%	Current Discount Rate 7.125%	1.0% Increase 8.125%
Net Pension Liability	\$ 3,530,729	\$ 2,534,023	\$ 1,697,887

## CITY OF PLAQUEMINE, LOUISIANA NOTES TO FINANCIAL STATEMENTS

### NOTE L: PENSION PLAN, continued

#### **Firefighters' Retirement System (FRS)**

##### **Plan Description:**

All of the City's full-time fire employees participate in the FRS, a multiple-employer, cost-sharing, defined benefit pension plan administered by a separate board of trustees. FRS was established by Act 434 of 1979 and amended by LRS 11:2251-11:2272 to provide retirement, disability, and survivor benefits to participating, eligible firefighters in Louisiana. Benefits are established and amended by state statute. FRS issued a stand-alone audit report on its financial statements for the year ended June 30, 2019. Access to the audit report can be found on the System's website: [www.ffret.com](http://www.ffret.com) or on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://www.lla.state.la.us).

##### **Retirement Benefits:**

Employees with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3.333% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint a survivor annuity.

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement. See R.S. 11:2256(A) for additional details on retirement benefits.

##### **Disability Benefits:**

A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitle to disability benefits under the provisions of R.S. 11:2258(B).

##### **Death Benefits:**

Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11:2256(B) and (C).

##### **Deferred Retirement Option Plan:**

After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the member's DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from their account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to his regular monthly benefits.

## **CITY OF PLAQUEMINE, LOUISIANA NOTES TO FINANCIAL STATEMENTS**

### **NOTE L: PENSION PLAN, continued**

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

#### **Initial Benefit Option Plan:**

Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

#### **Cost of Living Adjustments (COLAs):**

Under the provisions of R.S. 11:246 and 11:2260 (A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase based on a formula equal to up to \$1 times the total number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase. If there are not sufficient funds to fund the benefit at the rate of one dollar per year for such total number of years, then the rate shall be reduced in proportion to the amount of funds that are available to fund the cost-of-living adjustment.

#### **Employer Contributions:**

Contribution requirements for employers, non-employer contributing entities, and employees are established and may be amended in accordance with Title 11 and Title 22 of the Louisiana Revised Statutes.

According to State statute, employer contributions are actuarially-determined each year. For the year ended June 30, 2019, employer and employee contribution rates for members above the poverty line were 26.50% and 10.00%, respectively. The employer and employee contribution rates for those members below the poverty line were 28.50% and 8.00%, respectively.

According to State statute, the System receives insurance premium tax funds from the State of Louisiana. The assessment is considered support from a non-employer contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended June 30, 2019, and were excluded from pension expense.



# CITY OF PLAQUEMINE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

### NOTE L: PENSION PLAN, continued

Plan members are required by state statute to contribute 10.00 percent of their salary to the System, and the City of Plaquemine is required by this statute to contribute the remaining amounts necessary to pay benefits when due (26.50% for November 1, 2018 through June 30, 2018 and 27.75% for July 1, 2018 through October 31, 2018). The contribution requirements of plan members and the City of Plaquemine are established and amended by state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the FRS during the years ended October 31, 2019, 2018, and 2017, totaled \$146,156, \$159,249, and \$133,458, respectively, equal to the required contributions.

#### **Pension Liabilities, Pension Expense, and Deferred Outflows and Resources and Deferred Inflows of Resources:**

At October 31, 2019, the City reported a liability of \$1,500,228 for its proportionate share of the net pension liability for FRS. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the City's proportion for FRS was .23958%, which was a decrease of .004219% from its proportion measured as of June 30, 2018.

For the year ended October 31, 2019, the City recognized pension expense of \$305,810 for FRS less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$2,238).

At October 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for FRS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ (108,218)
Changes of assumptions	136,484	(109)
Net difference between projected and actual earnings on pension plan investments	100,886	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	133,560	(52,522)
Employer contributions subsequent to the measurement date	146,156	-
Total	<u>\$ 517,086</u>	<u>\$ (160,849)</u>

The City reported a total for FRS of \$146,156 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2019, which will be recognized as a reduction in net pension liability for the year ended October 31, 2020.

# CITY OF PLAQUEMINE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

### NOTE L: PENSION PLAN, continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	
2020	\$ 66,929
2021	8,337
2022	59,349
2023	51,815
2024	21,026
2025	2,625
	<u>\$ 210,081</u>

### Actuarial Assumptions:

The actuarial assumptions used in the June 30, 2019 valuation were based on the assumptions used in the June 30, 2019 actuarial funding valuation, and were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014. In cases where benefit structures were changed after the study period, assumptions were based on estimate of future experience. A summary of actuarial methods and assumptions used in determining the total net pension liability for FRS as of June 30, 2019 is as follows:

<b>Valuation Date</b>	June 30, 2019
<b>Actuarial Cost Method</b>	Entry Age Normal Cost
<b>Actuarial Assumptions:</b>	
<b>Inflation Rate</b>	2.500% per annum
<b>Expected Remaining Service Lives</b>	7 years, closed period
<b>Investment Rate of Return</b>	7.15% per annum (net of investment expenses, including inflation)
<b>Projected Salary Increases</b>	Vary from 14.75% in the first two years of service to 4.50% with 25 years or more service; includes inflation and merit increases
<b>Cost of Living Adjustments</b>	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included.

### Mortality Rate:

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP-2000 Disabled Lives Mortality Table set back five years for males and set back three years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.

**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE L: PENSION PLAN**, continued

The estimated long-term expected rate of return on pension plan investments 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 expense 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, 2.75%. The long-term geometric expected nominal rate of return was 7.94% as of June 30, 2019. Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Type		Target Asset Allocation	Long-term Expected Real Rate of Return
Equity	U.S. Equity	21.50%	5.98%
	Non-U.S. Equity	17.50%	7.52%
	Global Equity	10.00%	6.59%
Fixed Income	Fixed Income	31.00%	2.17%
Alternatives	Real Estate	6.00%	4.14%
	Private Equity	4.00%	10.52%
Multi-Asset	Global Tactical Asset Allocation	5.00%	4.37%
Strategies	Risky Parity	5.00%	4.67%
		<u>100.00%</u>	

**Discount Rate:**

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# CITY OF PLAQUEMINE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

### NOTE L: PENSION PLAN, continued

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

The following table represents the City's proportionate share of the net pension liability (NPL) using the discount rate for FRS as well as the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage higher than the current rate used by FRS:

	1.0% Decrease 6.15%	Current Discount Rate 7.15%	1.0% Increase 8.15%
Net Pension Liability	\$ 2,172,432	\$ 1,500,228	\$ 936,032

#### **Louisiana State Employees' Retirement System**

##### **Plan Description:**

All of the Plaquemine's City Court (a component unit) employees, are provided with pensions through a multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at [www.lasersonline.org](http://www.lasersonline.org). The following is a description of the plan and its benefits and is provide for general information only.

##### **Retirement Benefits:**

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing ten years of creditable service depending on the plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basis annual retirement annual retirement benefit for members equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.



## CITY OF PLAQUEMINE, LOUISIANA NOTES TO FINANCIAL STATEMENTS

### NOTE L: PENSION PLAN, continued

Act 992 on the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will received a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan. Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classifications.

#### **Deferred Retirement Benefits:**

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account.

Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

## **CITY OF PLAQUEMINE, LOUISIANA NOTES TO FINANCIAL STATEMENTS**

### **NOTE L: PENSION PLAN, continued**

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit plan (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate at one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004 are required to enter the SDP as described above.

#### **Disability Benefits:**

All members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

#### **Survivor Benefits:**

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

#### **Permanent Benefit Increases/Cost of Living Adjustments:**

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.



**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE L: PENSION PLAN, continued**

**Employer Contributions:**

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. Rates for the year ended June 30, 2019 are as follows:

<b>Plan</b>	<b>Plan Status</b>	<b>Employer Contribution Rate</b>
Appellate Law Clerks	Closed	37.9%
Appellate Law Clerks hired on or after 7/1/06	Open	37.9%
Alcohol Tobacco Control	Closed	31.4%
Bridge Police	Closed	36.7%
Bridge Police hired on or after 7/1/06	Closed	36.7%
Corrections Primary	Closed	33.5%
Corrections Secondary	Closed	37.7%
Harbor Police	Closed	7.1%
Hazardous Duty	Open	38.5%
Judges hired before 1/1/2011	Closed	40.1%
Judges hired after 12/31/2010	Closed	39.0%
Judges hired on or after 7/1/05	Open	39.0%
Legislators	Closed	41.6%
Optional Retirement Plan (ORP) before 7/1/06	Closed	37.9%
Optional Retirement Plan (ORP) after 7/1/06	Closed	37.9%
Peace Officers	Closed	36.7%
Regular Employees hired before 7/1/06	Closed	37.9%
Regular Employees hired after 7/1/06	Closed	37.9%
Regular Employees hired on or after 1/1/11	Closed	37.9%
Regular Employees hired on or after 7/1/15	Open	37.9%
Special Legislative Employees	Closed	43.6%
Wildlife Agents	Closed	46.3%
<b>Aggregate Rate</b>		<b>37.9%</b>

The City's contractually required composite contribution rate for the year ended October 31, 2019 was 40.10%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the City for the years ended October 31, 2019, 2018, and 2017 were \$12,628, \$11,910, and \$11,494, respectively.

**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE L: PENSION PLAN**, continued

**Pension Liabilities, Pension Expense, and Deferred Outflows and Resources and Deferred Inflows of Resources:**

At October 31, 2019, the City reported a liability of \$117,223 for its proportionate share of the net pension liability for LASERS. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the City's proportion for LASERS was .00162% which had no change from its proportion measured as of June 30, 2018.

For the year ended October 31, 2019, the City recognized pension expense of \$15,136 for LASERS plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$1,740).

At October 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for LASERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 720	\$ (242)
Changes of assumptions	1,004	-
Net difference between projected and actual earnings on pension plan investments	4,050	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	9,451	(11,728)
Employer contributions subsequent to the measurement date	12,628	-
Total	<u>\$ 27,853</u>	<u>\$ (11,970)</u>

The City reported a total for LASERS of \$12,628 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2019, which will be recognized as a reduction in net pension liability for the year ended October 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	
2020	\$ 2,125
2021	(1,502)
2022	1,114
2023	1,518
	<u>\$ 3,255</u>

# CITY OF PLAQUEMINE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

### NOTE L: PENSION PLAN, continued

#### Actuarial Assumptions:

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

Valuation Date	June 30, 2018																					
Actuarial Cost Method	Entry Age Normal																					
Actuarial Assumptions:																						
Inflation Rate	2.5% per annum																					
Expected Remaining Service Lives	2 years																					
Investment Rate of Return	7.60% per annum, net of investment expenses*																					
Mortality	<b>Non-disabled members</b> - Mortality rates for 2019 were based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis. <b>Disabled members</b> - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.																					
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.																					
Salary increases	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are: <table><tr><td></td><td><b>Lower</b></td><td><b>Upper</b></td></tr><tr><td><b><u>Member Type</u></b></td><td><b><u>Range</u></b></td><td><b><u>Range</u></b></td></tr><tr><td>Regular</td><td>3.2%</td><td>13.0%</td></tr><tr><td>Judges</td><td>2.8%</td><td>5.3%</td></tr><tr><td>Corrections</td><td>3.8%</td><td>14.0%</td></tr><tr><td>Hazardous Duty</td><td>3.8%</td><td>14.0%</td></tr><tr><td>Wildlife</td><td>3.8%</td><td>14.0%</td></tr></table>		<b>Lower</b>	<b>Upper</b>	<b><u>Member Type</u></b>	<b><u>Range</u></b>	<b><u>Range</u></b>	Regular	3.2%	13.0%	Judges	2.8%	5.3%	Corrections	3.8%	14.0%	Hazardous Duty	3.8%	14.0%	Wildlife	3.8%	14.0%
	<b>Lower</b>	<b>Upper</b>																				
<b><u>Member Type</u></b>	<b><u>Range</u></b>	<b><u>Range</u></b>																				
Regular	3.2%	13.0%																				
Judges	2.8%	5.3%																				
Corrections	3.8%	14.0%																				
Hazardous Duty	3.8%	14.0%																				
Wildlife	3.8%	14.0%																				
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.																					

\*The investment rate of return used in the actuarial valuation for funding purposes was 8.00%, recognizing an additional 40 basis points for gain-sharing.

**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE L: PENSION PLAN**, continued

The long-term expected rate of return on pension plan investments 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 expense 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 of 2.75% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 9.00% for 2019. Best estimates of geometric real rates of return for each major asset class included in LASERS target asset allocation as of June 30, 2019 are summarized in the following table:

<b>Asset Class</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Cash	0.24%
Domestic equity	4.83%
International equity	5.83%
Domestic Fixed Income	2.79%
International Fixed Income	4.49%
Alternative Investments	8.32%
Risk Parity	5.06%
Total Fund	6.09%

**Discount Rate:**

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table represents the City's proportionate share of the net pension liability (NPL) using the discount rate for LASERS as well as the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage higher than the current rate used by LASERS:

	<b>Primary Government</b>		
	<b>1.0% Decrease</b>	<b>Current</b>	<b>1.0% Increase</b>
	<b>6.60%</b>	<b>Discount Rate</b>	<b>8.60%</b>
	<b>7.60%</b>		
Net Pension Liability	\$ 147,950	\$ 117,223	\$ 91,268

**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE L: PENSION PLAN, continued**

**Summarized Pension Liabilities, Pension Expense, and Deferred Outflows and Resources and Deferred Inflows of Resources (Including Component Unit)**

At October 31, 2019, the City reported a total liability of \$6,949,469 for its governmental activities and \$3,895,774 for its business-type activities for its proportionate share of the net pension liability, totaling \$10,845,243. The discretely presented component unit recognized a total liability of \$146,151 for its proportionate share of the net pension liability.

For the year ended October 31, 2019, the City recognized total pension expense of \$1,280,751 for its governmental activities and \$837,664 for its business activities less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions (\$72,400). The discretely presented component unit recognized total pension expense of \$251 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$10,560.

At October 31, 2019, the City reported total deferred outflows of resources and total deferred inflows of resources related to pensions from the following sources:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Component Unit</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,037	\$ (254,689)	\$ -	\$ (95,053)	\$ -	\$ (1,637)
Changes of assumptions	350,199	(109)	98,450	-	1,487	
Net difference between projected and actual earnings on pension plan investments	547,068	-	386,378	-	1,895	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	244,999	(384,182)	86,617	(34,669)	63,939	(64,227)
Employer contributions subsequent to the measurement date	790,395	-	463,727	-	23,203	
Total	<u>\$ 1,938,698</u>	<u>\$ (638,980)</u>	<u>\$ 1,035,172</u>	<u>\$ (129,722)</u>	<u>\$ 90,524</u>	<u>\$ (65,864)</u>



**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE M: FLOW OF FUNDS & RESTRICTIONS ON USE**

Sales Tax Bonds 2010, 2012, 2013 and 2017 Taxable Revenue Bonds

All of the avails and proceeds derived by the Issuer from the levy and collection of the Tax shall continue to be deposited daily as the same may be collected in a separate and special bank account maintained with the regularly designated fiscal agent of the Issuer and designated as the "2008 Sales Tax Fund" (the "Sales Tax Fund"). The Sales Tax Fund shall constitute a dedicated fund of the Issuer, from which appropriations and expenditures by the Issuer shall be made solely for the purposes designated in the propositions authorizing the levy of the Tax. Out of the funds on deposit in the Sales Tax Fund, the issuer shall first pay all reasonable and necessary costs and expenses of collection and administration of the Tax. After payment of such costs and expenses, then the remaining Net Revenues of the Tax in the Sales Tax Fund shall be administered and used in the following order of priority and for the following express purposes:

- (1) The maintenance of the "Sales tax Bond Sinking Fund" (the "Sinking Fund"), with the regularly designated fiscal agent of the Issuer, sufficient in amount to pay promptly and fully the principal of and the interest of the Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds issued hereafter in the manner provided by this Bond Ordinance, as they severally become due and payable, by transferring from the Sales Tax Fund to the regularly designated fiscal agent of the Issuer, monthly in advance on or before the 20<sup>th</sup> day of each month of each year, a sum equal to pro-rata amount of interest falling due on the Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds on the next principal payment date, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due. Said fiscal agent shall transfer from the Sinking Fund to the paying agent bank or banks for all bonds payable from the Sinking Fund, at least one (1) day in advance of the date on which payment of principal or interest falls due, immediately available funds fully sufficient to pay promptly the principal and interest so falling due on such date.
- (2) The maintenance of the "Sales Tax Bond Reserve Fund" (the "Reserve Fund"), with the regularly designated fiscal agent of the Issuer. On the date of issuance of the Bonds, the Issuer shall (i) deposit from the proceeds of the Bonds into the Reserve Fund an amount equal to the Reserve Fund requirement or (ii) deposit to the credit of the Reserve Fund a surety bond, letter of credit or insurance policy equal to the Reserve Fund Requirement. The Issuer intends to meet this requirement with respect to the Bonds by so depositing to the credit of the Reserve Fund an amount of the Bonds proceeds equal to the Reserve Fund Requirement. Moneys in the Reserve Fund shall be used solely for transfer to the Sinking Fund in amounts required to prevent any default in the payment of the principal of an interest on the Bonds and the Outstanding Parity Bonds and, at the option of the Issuer, for payment of the final principal and interest requirements on the Bonds.

Whenever the amount in the Reserve Fund, together with the amount in the Sinking Fund, is sufficient to pay in full all Bonds and Outstanding Parity Bonds in accordance with their terms (including principal or applicable premium and interest thereon), the funds on deposit in the Reserve Fund shall be transferred to the Sinking Fund and shall be available to pay all Bonds and the Outstanding Parity Bonds in accordance with their terms (including principal or applicable premium and interest thereon). Prior to said transfer, all investments held in Reserve Fund shall be liquidated to the extent necessary in order to provide for the timely payment of principal and interest (or redemption premium) on the Bonds and Outstanding Parity Bonds.



**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE M: FLOW OF FUNDS & RESTRICTIONS ON USE, continued**

In lieu of the required transfers to the Reserve Fund or to provide for the removal of all or a portion of the amounts on deposit in the Reserve Fund, the Issuer may cause to be deposited into the Reserve Fund a surety bond or an insurance policy for the benefit of the Owners or a letter of credit in an amount equal to (i) the difference between the Reserve Fund Requirement and the sums then on deposit in the Reserve Fund, if any or (ii) the Reserve Fund Requirement. The surety bond, insurance policy or letter of credit shall, while the Bonds and the Outstanding Parity Bonds are Outstanding, be subject to the prior written consent of the insurer, if any, and shall be payable (upon the giving of notice as required thereunder) on any due date on which moneys will be required to be withdrawn from the Reserve Fund and applied to the payment of principal of or interest on any Bonds and the Outstanding Parity Bonds which such withdrawal cannot be met by amounts on deposit in the Sinking Fund or the Reserve Fund or provided from any other fund or account under the Bond Resolution.

To the extent the Reserve Fund is funded in part with a surety bond or other credit facility issued by an entity other than the insurer, if any, and in part with the Surety Bond, if any, then, in the event of any draw upon the Reserve Fund, the Paying Agent must make claims pro rata (in the proportion which the maximum amount available under each surety bond or other credit facility bears to the total Reserve Fund Requirement) against the Surety Bond, if any, and all other surety bonds and other credit facilities on deposit in the Reserve Fund.

In the event of the refunding of any bonds, the Issuer may withdraw from the Reserve Fund all, or any portion of, the amounts accumulated therein with respect to the Bonds being refunded and deposit such amounts to be held for the payment of the principal and redemption premium, if applicable and interest on the bonds being refunded; provided that such withdrawal shall not be made unless (i) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to Section 21 and (ii) the amount remaining in the Reserve Fund, after giving effect to the issuance of the Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the Reserve Fund Requirement.

In the event that Additional Parity Bonds are issued hereafter in the manner provided by the Bond Ordinance, there shall be immediately transferred from the proceeds of such Additional Parity Bonds and/or from the Sales Tax Fund into the Reserve Fund such amount (as may be designated in the ordinance authorizing the issuance of such Additional Parity Bonds) as will increase the total amount on deposit in the Reserve Fund to a sum equal to the Reserve Fund Requirement for all outstanding bond payable from the Sinking Fund and any such Additional Parity Bonds; provided, however, that in the event of the issuance of Additional Parity Bonds, the Reserve Fund Requirement may be satisfied be cash or Reserve Fund Alternative Investment, or any combination thereof (provided, however, while the Bonds are Outstanding, any such Reserve Fund Alternative Investment shall be subject to the prior written consent of the insurer, if any).

**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE M: FLOW OF FUNDS & RESTRICTIONS ON USE, continued**

- (3) All of any part of the monies in the Sales Tax Fund, the Sinking Fund or the Reserve Fund shall at the written request of the Governing Authority be invested in Qualified Investments maturing in five (5) years or less, in which event all income derived from such investments shall be added to the Sales Tax Fund, with the exception that any interest earnings from invested funds of the Reserve Fund shall be retained therein until an amount equal to the Reserve Fund Requirement is on deposit, therein, and such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purposes for which the Sales Tax Fund has been created.
- (4) Any monies remaining in the Sales Tax Fund on the 20th day of each month in excess of all reasonable and necessary expenses of collection and administration of the Tax and after making the requirement payments into the Sinking Fund and the Reserve Fund for the current month and for prior months during which the required payments may not have been made (including any amounts owed as provided of a Surety Bond, if any), shall be considered as surplus. Such surplus may be used by the Issuer for any of the purposes for which the Tax is authorized, or for the purpose of retiring Bonds in advance of their maturities, either by Purchase of Bonds then outstanding at prices not greater than the then redemption prices of said Bonds, or by redeeming such Bonds at the prices and in the manner set forth in the Bond Ordinance.

**NOTE N: LITIGATION**

There are 4 pending lawsuits in which the City of Plaquemine is currently involved.

1. Gerald Williams vs. Bryant Joseph Wilbert, City of Plaquemine ET AL, 18th JDC, Parish of Iberville Parish, No. 75,915 "C" – The Plaintiff claims on November 21, 2015, a Plaquemine Fire Truck ran a stop sign and hit his vehicle. The City has denied the Plaintiff's claims. It has been referred to the City's Insurer for defense. Trial is set for September 15, 2020. The City Attorney opines that the evaluation of the outcome is likely favorable considering the City's legal position and insurance coverage. No adjustments have been made to the financial statements regarding this matter.
2. Rory Vaughn vs. Tammy Johnson, Lyndon Southern Insurance Company, City of Plaquemine, Union Pacific Railroad Company, 19 Judicial District Court, Iberville Parish, State of LA, No. 76,796 "A" — The Plaintiff claims on June 1, 2016 when Tammy Johnson pulled out from the Plaquemine Street/Railroad Avenue intersection, her view was obstructed by a City of Plaquemine or Union Pacific Railroad truck parked, in a parking spot designated by the City, which caused the collision between Plaintiff and Tammy Johnson. The City has denied the Plaintiff's claims. The City's insurer has been referred the case for defense. The trial was set for April 15, 2020, but has been cancelled due to COVID-19. The City Attorney opines that the evaluation of the outcome is likely favorable considering the City's legal position and insurance coverage. No adjustments have been made to the financial statements regarding this matter.

**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE N: LITIGATION**, continued

3. Ethan James vs. City of Plaquemine, Kenny Payne, Christopher Graves and Dustin Hebert U.S.D.C., Middle District of LA, Civil No. 18-858 — The Plaintiff alleges he was illegally searched pursuant to his arrest in 2016. The Plaintiff further alleges the City failed to disclose exculpatory information. Both actions allegedly violated the Plaintiffs Civil Rights, pursuant to 42 USC 1983. The City's insurer has been referred the case for investigation and defense and discovery is on-going. The City Attorney opines that the evaluation of the outcome is likely favorable considering the City's legal position and insurance coverage. No adjustments have been made to the financial statements regarding this matter.
4. Nolan Carmouch vs. Shell Oil Company ET AL, 18<sup>th</sup> JDC, Parish of Iberville, No. 78,185 "C" — The plaintiff alleges he was injured because of his sand blasting and/or painting the City's water towers in the 1990's. The City's indemnity carrier has been referred the case for investigation and defense. The City Attorney opines that the evaluation of the outcome is likely favorable considering the City's legal position and indemnity coverage. No adjustments have been made to the financial statements regarding this matter.

**NOTE O: CONTINGENT LIABILITIES**

The City has participated in a federally assisted grant program, Section 8 Low-income Housing Program. This program is subject to program compliance audits by the grantors or their representatives. The audit of this program for the year prior to October 31, 2019 has not yet been completed. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE P: HOUSING ASSISTANCE PROGRAM FUND**

The City of Plaquemine, Louisiana administers a Housing Assistance Program for qualified applicants through the Department of Housing and Urban Development. HUD requires that the City report on a September 30<sup>th</sup> year end in its Financial Assessment System (FASS). Below is a reconciliation for the HUD required 9/30 year-end as reported in FASS and the City's 10/31 financial statements.

	<b>FASS</b>	<b>Less: October 2018</b>	<b>Add: October 2019</b>	<b>Section 8 For Year Ended 10/31/2019</b>
<b>Revenues:</b>				
Received from HUD	\$ 353,824	\$ 39,240	\$ -	\$ 314,584
Fraud Recovery	2,488	267	-	2,221
Total Revenues	<u>356,312</u>	<u>39,507</u>	<u>-</u>	<u>316,805</u>
<b>Expenditures:</b>				
Housing assistance payments	318,768	34,846	-	283,922
Management fee	14,292	-	-	14,292
Administrative salaries	19,620	4,706	-	14,914
Accounting and audit	4,500	-	-	4,500
Employee benefits	12,940	3,234	-	9,707
Office expenses	1,272	186	-	1,083
Total Expenditures	<u>371,392</u>	<u>42,972</u>	<u>-</u>	<u>328,418</u>
Excess (deficiency) of revenues over expenditures	(15,080)	(3,465)	-	(11,613)
<b>Other Financing Sources:</b>				
Operating transfers	15,955	4,000	-	11,955
Net Income	875	535	-	342
Fund Balance, beginning	3,795			4,328
Equity transfer	(4,670)			(4,670)
Fund Balance, ending	<u>\$ -</u>			<u>\$ -</u>

**NOTE Q: AGREEMENT WITH LEPA**

In December 2005, the City of Plaquemine entered into a full requirement service agreement with LEPA. It provides for the wholesale delivery of electricity required by the City to service its customers. The contract requires a two-year notice to exit.

In September 2013, the City entered into an additional power sales agreement with LEPA in connection with the construction of LEPA Unit No. 1, an approximately 64MW, nominal, combined cycle combustion turbine electric generating unit to be located in Morgan City, Louisiana. The contract was effective on the date LEPA Unit No. 1 was placed into normal, continuous operation, and continues until the later of (i) the date the principal of and interest on all debt associated with the construction have been paid or funds have been set aside for their payment, or (ii) the earlier of

**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE Q: AGREEMENT WITH LEPA, continued**

(a) the date LEPA Unit No. 1 is no longer used and useful for the generation of electricity or (b) a date that is fifty (50) years from the date LEPA Unit No. 1 is placed into normal, continuous operation.

Under the power sales agreement, each member agrees to purchase its respective entitlement share of the electricity generated and to pay for such purchases on a monthly basis. The City's share is approximately 17%. Each member also covenants and agrees that it will not issue bonds, notes or other evidences of indebtedness, or enter into any contract or agreement or incur any expenses, payable from or secured by revenues superior to or having a priority over the obligations to make payments under the power sales agreement.

**NOTE R: RELATED PARTY TRANSACTIONS**

Salaries of the City Marshal, City Court Clerk, City Prosecutor, and other City Court employees are to be paid by the City of Plaquemine. Retirement systems contributions for eligible employees are paid by the City of Plaquemine. The Judge's salary is paid by the State Judiciary Department, the City of Plaquemine, and the Iberville Parish Council. The Public Defender's salary is paid by the City of Plaquemine. The City is reimbursed out of the Public Defender Fund for the Public Defender's salary.

The City of Plaquemine insures the General Fixed Assets of the City Court against any loss or damage. In addition, the City provides facilities, liability insurance, and services to the court at no cost to the court.

The City paid Berthelot's Automotive \$8,623 from the period November 1, 2018 to October 31, 2019. The husband of the City's finance director owns Berthelot's Automotive. The Louisiana Board of Ethics has conducted two audits of transactions between the City and Berthelot's Automotive. The Docket Numbers are 2009-783 and 2017-506. In both instances, the Board concluded that no apparent violation of the Code of Governmental Ethics occurred. A disqualification plan, Docket Number 2018-111, was approved by the Board at its March 16, 2018 meeting.



**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE S: CHANGES IN ASSETS AND LIABILITIES--ALL AGENCY FUNDS – COMPONENT UNIT**

The following is a summary of changes in assets and liabilities of all agency funds:

	<u>1/1/2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/2018</u>
Fines, Fees and Costs Fund				
Assets	<u>\$ 5,914</u>	<u>\$ 37,006</u>	<u>\$ (38,303)</u>	<u>\$ 4,617</u>
Liabilities	<u>\$ 5,914</u>	<u>\$ 37,006</u>	<u>\$ (38,303)</u>	<u>\$ 4,617</u>
Civil Fund				
Assets	<u>\$ 36,609</u>	<u>\$ 128,649</u>	<u>\$ (116,870)</u>	<u>\$ 48,388</u>
Liabilities	<u>\$ 36,609</u>	<u>\$ 128,649</u>	<u>\$ (116,870)</u>	<u>\$ 48,388</u>
Garnishment Fund				
Assets	<u>\$ 40,024</u>	<u>\$ 204,736</u>	<u>\$ (205,228)</u>	<u>\$ 39,532</u>
Liabilities	<u>\$ 40,024</u>	<u>\$ 204,736</u>	<u>\$ (205,228)</u>	<u>\$ 39,532</u>

**NOTE T: INTERGOVERNMENTAL REVENUE**

Component Unit

The special revenue funds received funds totaling \$130,220 from the City of Plaquemine and \$61,200 from the Iberville Parish Council during 2019. The general fund received \$81,000 from the Iberville Parish Council, \$164,822 from the City of Plaquemine, and \$37 from the Department of Public Safety during 2019.

**NOTE U: MISSING FUNDS**

During the fiscal year ending October 31, 2008, missing funds were detected by a City of Plaquemine employee while performing routine bank reconciliations. We were informed of the discrepancies and immediately began procedures to test susceptible areas of theft such as retired employees' insurance, payroll and receipts from the point of entering the system to the point of exiting the system. No deficiencies were noted in performing tests of retired employees' insurance and payroll. Several discrepancies were noted in performing tests of receipts. The City's finance director has implemented proper internal controls over the collections and recording of receipts to prevent any reoccurrences. The following is a recap of the theft and the amount paid back to the City as of October 31, 2019:

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Balance at October 31, 2018	<u>\$ 24,525</u>	<u>\$ -</u>	<u>\$ 24,525</u>
Amount Paid	<u>(1,500)</u>	<u>-</u>	<u>(1,500)</u>
Balance at October 31, 2019	<u>\$ 23,025</u>	<u>\$ -</u>	<u>\$ 23,025</u>



**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE V: LEASES**

City of Plaquemine had the following operating leases as of October 31, 2019:

- Pitney Bowes – postage meters. The lease payments are broken down into 4 monthly lease payments ranging from \$91 - \$387. The terms of the leases vary from 36 – 60 months with the final lease payment in November, 2022.
- De Lang Landen – copiers. The lease payments are broken down into 11 monthly lease payments ranging from \$145 - \$370. The terms of the leases vary from 36 – 60 months with the final lease ending in 2024.
- Union Pacific – This lease is a three-year lease with an annual lease payment of \$6,050 increasing 3% each year. The lease term ends in April, 2020.

Lease expense for the year ending October 31, 2019 was \$37,233. The following is a schedule of future minimum lease payments required under the operating leases:

<u>October</u>	
2020	\$ 27,217
2021	20,805
2022	13,883
2023	8,757
2024	2,775

**NOTE W: NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED**

GASB Statement 84, Fiduciary Activities: This standard defines and establishes criteria for identifying and report fiduciary activities. The focus of the criteria is on (1) whether the City controls the assets in a fiduciary activity and (2) there are separate identifiable beneficiaries with whom a fiduciary relationship exists. The standard is effect for reporting periods beginning after December 15, 2018. The City will include the requirements of this standard, as applicable, in its October 31, 2020 financial statement. The effect of this standard or its applicability to the City is unknown at this time.

GASB Statement 87, Leases: This standard will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases including those previously reported as operating leases. All leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after December 15, 2019. The City will include the requirements of this standard, as applicable, in its October 31, 2021 financial statement. All of the City's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the City is unknown at this time.

**CITY OF PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE X: SUBSEQUENT EVENTS**

The City has evaluated subsequent events through the date that the financial statements were available to be issued, April 6, 2020. As a result of COVID-19 coronavirus, economic uncertainties have arisen which are likely to have a negative impact on operations and cause business disruption. However, the related financial impact and duration cannot be reasonably estimated at this time. The City is closely monitoring its financial statements for 2019-2020 impacts.

## REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PLAQUEMINE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET TO ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED OCTOBER 31, 2019

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Taxes	\$ 235,600	\$ 300,600	\$ 309,449	\$ 8,849
License and permits	409,900	419,200	422,716	3,516
Intergovernmental	588,690	575,145	607,275	32,130
Charges for services	32,000	36,500	39,811	3,311
Fines and forfeits	5,000	7,000	7,444	444
Miscellaneous	88,000	122,100	133,628	11,528
<b>TOTAL REVENUES</b>	<b>1,359,190</b>	<b>1,460,545</b>	<b>1,520,323</b>	<b>59,778</b>
<b>EXPENDITURES</b>				
General Government	1,574,145	1,723,365	1,547,888	175,477
City Court	411,955	413,035	402,646	10,389
Police Department	2,724,985	2,749,945	2,784,609	(34,664)
Fire Department	1,531,630	1,523,430	1,429,741	93,689
Public Works	899,725	897,825	837,726	60,099
Recreation	1,256,300	1,313,600	1,363,027	(49,427)
Public Health	16,370	16,370	12,734	3,636
<b>TOTAL EXPENDITURES</b>	<b>8,415,110</b>	<b>8,637,570</b>	<b>8,378,371</b>	<b>259,199</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(7,055,920)</b>	<b>(7,177,025)</b>	<b>(6,858,048)</b>	<b>318,977</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	5,941,000	6,631,000	6,722,609	91,609
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,941,000</b>	<b>6,631,000</b>	<b>6,722,609</b>	<b>91,609</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	<b>(1,114,920)</b>	<b>(546,025)</b>	<b>(135,439)</b>	<b>410,586</b>
<b>FUND BALANCE - BEGINNING</b>	<b>5,513,769</b>	<b>5,513,769</b>	<b>5,513,769</b>	<b>-</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 4,398,849</b>	<b>\$ 4,967,744</b>	<b>\$ 5,378,330</b>	<b>\$ 410,586</b>

CITY OF PLAQUEMINE, LOUISIANA  
SPECIAL REVENUE FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
SALES TAX REVENUE FUND  
FOR THE YEAR ENDED OCTOBER 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Sales Tax - General	\$ 2,740,000	\$ 3,100,000	\$ 3,355,080	\$ 255,080
Sales Tax - 2006	2,610,000	2,900,000	3,147,623	247,623
Sales Tax - Roads	1,775,000	2,015,000	2,176,757	161,757
Interest earned	30,000	70,000	93,191	23,191
<b>TOTAL REVENUES</b>	<b>7,155,000</b>	<b>8,085,000</b>	<b>8,772,651</b>	<b>687,651</b>
<b>EXPENDITURES</b>				
Other expenditures	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>7,155,000</b>	<b>8,085,000</b>	<b>8,772,651</b>	<b>687,651</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers out	(7,155,000)	(8,085,000)	(8,372,651)	(287,651)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(7,155,000)</b>	<b>(8,085,000)</b>	<b>(8,372,651)</b>	<b>(287,651)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>400,000</b>	<b>400,000</b>
<b>FUND BALANCE, BEGINNING</b>	<b>103,082</b>	<b>103,082</b>	<b>103,082</b>	<b>-</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 103,082</b>	<b>\$ 103,082</b>	<b>\$ 503,082</b>	<b>\$ 400,000</b>

CITY OF PLAQUEMINE, LOUISIANA  
DEBT SERVICE FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
SALES TAX BOND FUND  
FOR THE YEAR ENDED OCTOBER 31, 2019

	Sales Tax Bond Fund
<b>REVENUES</b>	
Interest income	\$ 74,201
Gain on sale of assets	-
<b>TOTAL REVENUES</b>	<u>74,201</u>
<b>EXPENDITURES</b>	
Principal retirement	595,000
Interest	361,308
Other	440
<b>TOTAL EXPENDITURES</b>	<u>956,748</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(882,547)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Operating transfers in	2,176,757
Operating transfers out	(825,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,351,757</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES (USES) OVER EXPENDITURES</b>	469,210
<b>FUND BALANCES, BEGINNING</b>	<u>4,721,056</u>
<b>FUND BALANCES, ENDING</b>	<u><u>\$ 5,190,266</u></u>



CITY OF PLAQUEMINE, LOUISIANA  
SCHEDULE OF PROPORTIONATE  
SHARE OF NET PENSION LIABILITY  
FOR THE YEAR ENDED OCTOBER 31, 2019

EXHIBIT L

Retirement System	Year Ended October 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System	2019	1.6019%	\$ 6,693,769	\$ 2,950,303	226.8841%	64.68%
	2018	1.5660%	\$ 6,484,480	\$ 2,886,692	224.6336%	63.94%
	2017	1.5113%	\$ 6,322,242	\$ 2,791,323	226.4963%	62.49%
	2016	1.4380%	\$ 5,893,790	\$ 2,601,050	226.5927%	62.11%
	2015	1.4383%	\$ 5,137,715	\$ 2,485,742	206.6874%	66.18%
Municipal Police Employees' Retirement System	2019	0.2790%	\$ 2,534,023	\$ 925,769	273.7209%	71.01%
	2018	0.3233%	\$ 2,732,911	\$ 929,498	294.0201%	71.89%
	2017	0.3195%	\$ 2,789,126	\$ 965,621	288.8427%	70.08%
	2016	0.3267%	\$ 3,062,362	\$ 813,588	376.4021%	66.04%
	2015	0.3188%	\$ 2,497,543	\$ 824,373	302.9627%	70.73%
Firefighters' Retirement System	2019	0.2396%	\$ 1,500,228	\$ 543,474	276.0441%	73.96%
	2018	0.2438%	\$ 1,402,351	\$ 600,939	233.3600%	74.76%
	2017	0.2165%	\$ 1,240,676	\$ 519,229	238.9458%	73.55%
	2016	0.2121%	\$ 1,387,561	\$ 490,974	282.6139%	68.16%
	2015	0.2074%	\$ 1,119,464	\$ 454,302	246.4141%	72.45%
Louisiana State Employees' Retirement System	2019	0.0016%	\$ 117,223	\$ 30,900	379.3625%	62.90%
	2018	0.0016%	\$ 110,756	\$ 29,700	372.9158%	64.30%
	2017	0.0017%	\$ 118,604	\$ 29,700	399.3401%	62.50%
	2016	0.0017%	\$ 131,687	\$ 29,700	443.3906%	57.70%
	2015	0.0016%	\$ 109,028	\$ 29,300	372.1092%	62.70%

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

CITY OF PLAQUEMINE, LOUISIANA  
SCHEDULE OF CONTRIBUTIONS  
FOR THE YEAR ENDED OCTOBER 31, 2019

EXHIBIT M

Retirement System	Year Ended October 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
Municipal Employees' Retirement System	2019	\$ 796,781	\$ 796,781	\$ -	\$ 2,950,303	27.0068%
	2018	\$ 726,780	\$ 726,780	\$ -	\$ 2,886,692	25.1769%
	2017	\$ 654,009	\$ 654,009	\$ -	\$ 2,791,323	23.4301%
	2016	\$ 540,682	\$ 540,682	\$ -	\$ 2,601,050	20.7871%
	2015	\$ 490,934	\$ 490,934	\$ -	\$ 2,485,742	19.7500%
Municipal Police Employees' Retirement System	2019	\$ 298,557	\$ 298,557	\$ -	\$ 925,769	32.2496%
	2018	\$ 290,373	\$ 290,373	\$ -	\$ 929,498	31.2398%
	2017	\$ 304,200	\$ 304,200	\$ -	\$ 965,621	31.5030%
	2016	\$ 277,496	\$ 277,496	\$ -	\$ 813,588	34.1077%
	2015	\$ 269,477	\$ 269,477	\$ -	\$ 824,373	32.6887%
Firefighters' Retirement System	2019	\$ 146,156	\$ 146,156	\$ -	\$ 543,474	26.8929%
	2018	\$ 159,249	\$ 159,249	\$ -	\$ 600,939	26.5000%
	2017	\$ 133,458	\$ 133,458	\$ -	\$ 519,229	25.7031%
	2016	\$ 130,382	\$ 130,382	\$ -	\$ 490,974	26.5558%
	2015	\$ 129,728	\$ 129,728	\$ -	\$ 454,302	28.5555%
Louisiana State Employees' Retirement System	2019	\$ 12,628	\$ 12,628	\$ -	\$ 30,900	40.8673%
	2018	\$ 11,910	\$ 11,910	\$ -	\$ 29,700	40.1010%
	2017	\$ 11,494	\$ 11,494	\$ -	\$ 29,700	38.7003%
	2016	\$ 11,306	\$ 11,306	\$ -	\$ 29,700	38.0673%
	2015	\$ 11,823	\$ 11,823	\$ -	\$ 29,300	40.3515%

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

## **SUPPLEMENTARY INFORMATION EXHIBITS**

**NON MAJOR FUND  
COMBINING STATEMENTS**

CITY OF PLAQUEMINE, LOUISIANA  
 COMBINING FUND BALANCE SHEET- NON MAJOR FUNDS  
 OCTOBER 31, 2019

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals 2019
<b>ASSETS</b>				
Cash	\$ 617,088	\$ -	\$ 164,463	\$ 781,551
Other receivables	-	-		-
Due from other govt. unit	16,682	-	-	16,682
Due from other funds	-	-	5,885	5,885
Prepaid expenses	-	-	36	36
<b>TOTAL ASSETS</b>	<b>\$ 633,770</b>	<b>\$ -</b>	<b>\$ 170,384</b>	<b>\$ 804,154</b>
<b>LIABILITIES AND FUND BALANCE</b>				
Accounts payable	\$ 9,170	\$ -	\$ 26,605	\$ 35,775
Due to other funds	12,842	-	253	13,095
Retainage payable	-	-	-	-
Fund balance - nonspendable - not in spendable form	-	-	36	36
Fund balance - restricted	611,758	-	-	611,758
Fund balance - committed	-	-	143,490	143,490
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 633,770</b>	<b>\$ -</b>	<b>\$ 170,384</b>	<b>\$ 804,154</b>

**CITY OF PLAQUEMINE, LOUISIANA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL - NON MAJOR FUNDS**  
**FOR THE YEAR ENDED OCTOBER 31, 2019**

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals 2019
<b>REVENUES</b>				
Taxes	\$ 405,126	\$ -	\$ -	\$ 405,126
Intergovernmental	314,584	-	-	314,584
Interest income	16,446	-	-	16,446
Miscellaneous	2,221	-	267	2,488
<b>TOTAL REVENUES</b>	<b>738,377</b>	<b>-</b>	<b>267</b>	<b>738,644</b>
<b>EXPENDITURES</b>				
Housing and Urban Development	333,087	-	-	333,087
Building Maintenance & Police Equip. tax	-	-	-	-
Capital projects	-	-	905,644	905,644
Debt service	-	164,394	-	164,394
<b>TOTAL EXPENDITURES</b>	<b>333,087</b>	<b>164,394</b>	<b>905,644</b>	<b>1,403,125</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>405,290</b>	<b>(164,394)</b>	<b>(905,377)</b>	<b>(664,481)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt proceeds	-	131,843	-	131,843
Operating transfers in	11,954	117,622	967,085	1,096,661
Operating transfers out	(285,839)	(85,071)	-	(370,910)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(273,885)</b>	<b>164,394</b>	<b>967,085</b>	<b>857,594</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<b>131,405</b>	<b>-</b>	<b>61,708</b>	<b>193,113</b>
<b>FUND BALANCE - BEGINNING</b>	<b>480,353</b>	<b>-</b>	<b>81,818</b>	<b>562,171</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 611,758</b>	<b>\$ -</b>	<b>\$ 143,526</b>	<b>\$ 755,284</b>



## **NON MAJOR SPECIAL REVENUE FUNDS**

### **Housing Assistance Program Fund**

To account for the receipts and expenditure of funds received specifically for Housing Assistance from the U.S. Housing and Urban Development Department.

### **Building Maintenance Tax**

To account for taxes received from 2.76 mills that were levied on property.

### **Police Equipment Tax**

To account for taxes received from 2.76 mills that were levied on property.

### **Fire Department Capital Improvements**

To account for the funds received from the Iberville Parish Council which are designated for the specific purpose of fire department capital expenditures.

CITY OF PLAQUEMINE, LOUISIANA  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
OCTOBER 31, 2019

	<u>Housing Assistance Program</u>	<u>Building Maintenance Tax</u>	<u>Police Equipment Tax</u>	<u>Fire Dept. Capital Improvement</u>	<u>Totals 2019</u>
<b>ASSETS</b>					
Cash	\$ 12,016	\$ 338,907	\$ 68,649	\$ 197,516	\$ 617,088
Other receivables	-	-	-	-	-
Due from other govt. unit	-	-	-	16,682	16,682
<b>TOTAL ASSETS</b>	<u><u>\$ 12,016</u></u>	<u><u>\$ 338,907</u></u>	<u><u>\$ 68,649</u></u>	<u><u>\$ 214,198</u></u>	<u><u>\$ 633,770</u></u>
<b>LIABILITIES AND FUND BALANCE</b>					
Accounts payable	\$ 9,170	\$ -	\$ -	\$ -	\$ 9,170
Due to other funds	2,846	-	-	9,996	12,842
Fund balance - restricted	-	338,907	68,649	204,202	611,758
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 12,016</u></u>	<u><u>\$ 338,907</u></u>	<u><u>\$ 68,649</u></u>	<u><u>\$ 214,198</u></u>	<u><u>\$ 633,770</u></u>

CITY OF PLAQUEMINE, LOUISIANA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED OCTOBER 31, 2019

	Housing Assistance Program	Building Maintenance Tax	Police Equipment Tax	Fire Dept. Capital Improvement	Totals 2019
<b>REVENUES</b>					
Taxes	\$ -	\$ 105,307	\$ 105,307	\$ 194,512	\$ 405,126
Intergovernmental	314,584	-	-	-	314,584
Interest income	-	6,648	3,336	6,462	16,446
Miscellaneous	2,221	-	-	-	2,221
<b>TOTAL REVENUES</b>	<b>316,805</b>	<b>111,955</b>	<b>108,643</b>	<b>200,974</b>	<b>738,377</b>
<b>EXPENDITURES</b>	<b>333,087</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>333,087</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(16,282)</b>	<b>111,955</b>	<b>108,643</b>	<b>200,974</b>	<b>405,290</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	11,954	-	-	-	11,954
Operating transfers out	-	-	(113,394)	(172,445)	(285,839)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>(4,328)</b>	<b>111,955</b>	<b>(4,751)</b>	<b>28,529</b>	<b>131,405</b>
<b>FUND BALANCE, BEGINNING</b>	<b>4,328</b>	<b>226,952</b>	<b>73,400</b>	<b>175,673</b>	<b>480,353</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ -</b>	<b>\$ 338,907</b>	<b>\$ 68,649</b>	<b>\$ 204,202</b>	<b>\$ 611,758</b>

CITY OF PLAQUEMINE, LOUISIANA  
SPECIAL REVENUE FUNDS  
HOUSING ASSISTANCE PROGRAM FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED OCTOBER 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Intergovernmental revenues-			
Contribution from HUD	\$ 283,000	\$ 283,296	\$ 296
Admin Fee	31,300	31,288	(12)
Miscellaneous	2,250	2,221	(29)
<b>TOTAL REVENUES</b>	<u>316,550</u>	<u>316,805</u>	<u>255</u>
 <b>EXPENDITURES</b>	 <u>328,825</u>	 <u>333,087</u>	 <u>(4,262)</u>
 <b>EXCESS (DEFICIENCY) OF     REVENUES OVER EXPENDITURES</b>	 <u>(12,275)</u>	 <u>(16,282)</u>	 <u>(4,007)</u>
 <b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	7,947	11,954	4,007
 <b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	 <u>7,947</u>	 <u>11,954</u>	 <u>4,007</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES     OVER EXPENDITURES AND     OTHER SOURCES (USES)</b>	 <u>(4,328)</u>	 <u>(4,328)</u>	 <u>-</u>
 <b>FUND BALANCE, BEGINNING</b>	 <u>4,328</u>	 <u>4,328</u>	 <u>-</u>
 <b>FUND BALANCE, ENDING</b>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

CITY OF PLAQUEMINE, LOUISIANA  
SPECIAL REVENUE FUNDS  
BUILDING MAINTENANCE TAX  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED OCTOBER 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Taxes - Ad valorem	\$ 105,150	\$ 105,307	\$ 157
Interest income	5,100	6,648	1,548
<b>TOTAL REVENUES</b>	<u>110,250</u>	<u>111,955</u>	<u>1,705</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>110,250</u>	<u>111,955</u>	<u>1,705</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers out	(20,000)	-	20,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(20,000)</u>	<u>-</u>	<u>20,000</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES</b>	<u>90,250</u>	<u>111,955</u>	<u>21,705</u>
<b>FUND BALANCE, BEGINNING</b>	<u>226,952</u>	<u>226,952</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 317,202</u>	<u>\$ 338,907</u>	<u>\$ 21,705</u>

CITY OF PLAQUEMINE, LOUISIANA  
SPECIAL REVENUE FUNDS  
POLICE EQUIPMENT TAX  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED OCTOBER 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Taxes - Ad valorem	\$ 105,150	\$ 105,307	\$ 157
Interest income	2,500	3,336	836
<b>TOTAL REVENUES</b>	<u>107,650</u>	<u>108,643</u>	<u>993</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>107,650</u>	<u>108,643</u>	<u>993</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers out	<u>(109,418)</u>	<u>(113,394)</u>	<u>(3,976)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(109,418)</u>	<u>(113,394)</u>	<u>(3,976)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES</b>	<u>(1,768)</u>	<u>(4,751)</u>	<u>(2,983)</u>
<b>FUND BALANCE, BEGINNING</b>	<u>73,400</u>	<u>73,400</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 71,632</u>	<u>\$ 68,649</u>	<u>\$ (2,983)</u>



CITY OF PLAQUEMINE, LOUISIANA  
SPECIAL REVENUE FUNDS  
FIRE DEPARTMENT CAPITAL IMPROVEMENTS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED OCTOBER 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Intergovernmental - Fire Tax	\$ 180,000	\$ 194,512	\$ 14,512
Interest income	-	6,462	6,462
<b>TOTAL REVENUES</b>	<u>180,000</u>	<u>200,974</u>	<u>20,974</u>
<b>EXPENDITURES</b>	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>180,000</u>	<u>200,974</u>	<u>20,974</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers out	(187,180)	(172,445)	14,735
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(187,180)</u>	<u>(172,445)</u>	<u>14,735</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES</b>	<u>(7,180)</u>	<u>28,529</u>	<u>35,709</u>
<b>FUND BALANCE, BEGINNING</b>	<u>175,673</u>	<u>175,673</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 168,493</u>	<u>\$ 204,202</u>	<u>\$ 35,709</u>

## NON MAJOR DEBT SERVICE FUND

### **Notes Payable – 2014**

To accumulate monies for payment of a note to purchase four police vehicles due in annual installments through maturity in 2017 and for the payment of a note to purchase a fire truck due in annual installments through maturity in 2024.

### **Notes Payable- 2017**

To accumulate monies for payment of a note to purchase police vehicles due in annual installments through maturity in 2019.

**CITY OF PLAQUEMINE, LOUISIANA  
DEBT SERVICE FUNDS  
BALANCE SHEET  
OCTOBER 31, 2019**

	<b>Notes</b>
	<b><u>Payable - 2014/2017</u></b>
<b>ASSETS</b>	
Cash	\$ -
<b>TOTAL ASSETS</b>	<b><u>\$ -</u></b>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Due to Street Improvement	\$ -
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>
<b>FUND BALANCE</b>	
Restricted for debt service	-
<b>TOTAL FUND BALANCE</b>	<b><u>-</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ -</u></b>

CITY OF PLAQUEMINE, LOUISIANA  
DEBT SERVICE FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED OCTOBER 31, 2019

	Notes Payable - 2014/2017
<b>REVENUES</b>	
Intergovernmental revenue	\$ -
Interest income	-
<b>TOTAL REVENUES</b>	<u>-</u>
<b>EXPENDITURES</b>	
Principal retirement	148,155
Interest	16,239
<b>TOTAL EXPENDITURES</b>	<u>164,394</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(164,394)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Debt proceeds	131,843
Transfers to other funds	(85,071)
Transfers from other funds	117,622
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>164,394</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	-
<b>FUND BALANCE, BEGINNING</b>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>

## NON MAJOR CAPITAL PROJECTS FUND

### Street Improvement

To account for the major capital improvements on the streets.

CITY OF PLAQUEMINE, LOUISIANA  
CAPITAL PROJECTS FUND  
BALANCE SHEET  
STREET IMPROVEMENTS  
OCTOBER 31, 2019

	<u>Street Improvements</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 164,463
Prepaid expenses	36
Due from other funds	<u>5,885</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 170,384</u></b>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 26,605
Due to other funds	253
Retainage payable	<u>-</u>
<b>TOTAL LIABILITIES</b>	<b><u>26,858</u></b>
<b>FUND BALANCE</b>	
Nonspendable - not in spendable form	36
Committed	<u>143,490</u>
<b>TOTAL FUND BALANCE</b>	<b><u>143,526</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 170,384</u></b>



CITY OF PLAQUEMINE, LOUISIANA  
CAPITAL PROJECTS FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
STREET IMPROVEMENTS  
FOR THE YEAR ENDED OCTOBER 31, 2019

	<u>Street Improvements</u>
<b>REVENUES</b>	
Miscellaneous revenues	\$ 267
<b>TOTAL REVENUES</b>	<u>267</u>
<b>EXPENDITURES</b>	
Capital outlay - current expenditures	-
Other expenditures	905,643
<b>TOTAL EXPENDITURES</b>	<u>905,644</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(905,377)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers from other funds	967,085
Transfers to other funds	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>967,085</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	<u>61,708</u>
<b>FUND BALANCE, BEGINNING</b>	<u>81,818</u>
<b>FUND BALANCE, ENDING</b>	<u><u>\$ 143,526</u></u>

**CITY OF PLAQUEMINE, LOUISIANA  
COMPONENT UNIT**

**CITY COURT OF PLAQUEMINE, LOUISIANA**

**General Fund** is the general operating fund of the City Court. The Court Expense Fund is the general fund of the City Court and is used to account for the general operating expenditures except those required to be accounted for in other funds.

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**Marshal's Fund**

The Marshal's Fund is used to account for the activities of the Marshal's office financed by revenue from court costs designated for that purpose.

**City Prosecutor Fund**

The City Prosecutor Fund is used to account for activities of the City Prosecutor's office financed by revenue from court costs designated for that purpose.

**Public Defender Fund**

The Public Defender Fund was created in 1988 to account for the activities of the Public Defender financed by revenue from court costs designated for that purpose, as provided by R.S. 13:2488.61(c).

**Probation Fund**

This fund is used to account for probation fees collected by the City Court.

**Pre-Trial Diversion Fund**

This fund is used to account for pre-trial diversion costs.

**Agency Funds** are used to account for assets held by the City Court as an agent for other funds and/or other governments. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations.

**Fines, Fees, and Costs Fund**

The Fines, Fees, and Costs Fund is used to account for fines and costs collected for and payable to the City of Plaquemine, General-Court Expense Fund, and Marshal's, Subpoena, and Public Defender Special Revenue Funds. The Fines, Fees, and Costs Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations and, as such, a statement of operations is not included in the accompanying financial statements.

**CITY OF PLAQUEMINE, LOUISIANA  
COMPONENT UNIT**

**CITY COURT OF PLAQUEMINE, LOUISIANA**

**Agency Funds**, continued

Civil Fund

The Civil Fund is used to account for advance costs collected from plaintiffs filing civil suits. These costs are payable to the City Court of Plaquemine Judge and Marshal and to the Judges' Supplemental Compensation Fund, as costs are assessed. The difference between the costs advanced by the plaintiffs and the costs assessed against the advance is classified as receivable from or payable to the plaintiff. The Civil Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations and, as such, a statement of operations is not included in the accompanying financial statements.

Garnishment Fund

The Garnishment Fund is used to account for collection and distribution of garnishments by the City Marshal. Garnishments are collected from garnishees, by the Marshal on behalf of petitioners, to be paid to the petitioners less a fee paid to the Marshal.

CITY OF PLAQUEMINE, LOUISIANA  
 COMPONENT UNIT  
 COMBINED BALANCE SHEET  
 OCTOBER 31, 2019

	<u>City Court of Plaquemine 12/31/2018</u>
<b>ASSETS</b>	
Cash	\$ 50,113
Accounts receivable	1,400
Prepaid expense	1,200
Intergovernmental receivables	15,000
Interfund receivables	<u>12,015</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 79,728</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities:</b>	
Bank overdraft	\$ 17
Interfund payables	<u>12,015</u>
<b>Total Liabilities</b>	<u>12,032</u>
 <b>Fund Balance</b>	
Nonspendable	1,200
Restricted	27,267
Unassigned	<u>39,229</u>
<b>Fund Balance</b>	<u>67,696</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 79,728</u></u>

CITY OF PLAQUEMINE, LOUISIANA  
 COMPONENT UNIT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE-ALL GOVERNMENTAL FUND TYPES  
 YEAR ENDED OCTOBER 31, 2019

	City Court of Plaquemine 12/31/2018
<b>REVENUES</b>	
Court fees, fines and costs	\$ 1,050
Intergovernmental	437,279
Interest	37
Miscellaneous revenues	2,139
<b>TOTAL REVENUES</b>	<b>440,505</b>
<b>EXPENDITURES</b>	
Current:	
Auto and travel	14,400
Drug Testing	1,310
Dues and seminars	14,119
Office supplies and expense	5,232
Professional fees	34,000
Personnel services and related benefits	404,616
Domestic Violence Grant expense	3,000
Repairs and maintenance	5,084
Telephone	2,372
Miscellaneous	3,977
<b>TOTAL EXPENDITURES</b>	<b>488,110</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(47,605)</b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Operating transfers in	87,796
Operating transfers out	(55,800)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>31,996</b>
<b>EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES</b>	<b>(15,609)</b>
<b>FUND BALANCE, BEGINNING</b>	<b>83,305</b>
<b>FUND BALANCE (DEFICIT), ENDING</b>	<b>\$ 67,696</b>

CITY OF PLAQUEMINE, LOUISIANA  
 COMPONENT UNIT  
 STATEMENT OF FIDUCIARY RESPONSIBILITIES  
 AGENCY FUNDS  
 OCTOBER 31, 2019

	City Court of Plaquemine 12/31/18			
	Fines, Fees, & Costs Fund	Civil Fund	Garnishment Fund	Totals 2018
<b>ASSETS</b>				
Cash	\$ 4,617	\$ 48,388	\$ 39,532	\$ 92,537
<b>TOTAL ASSETS</b>	<u>\$ 4,617</u>	<u>\$ 48,388</u>	<u>\$ 39,532</u>	<u>\$ 92,537</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Other payables	\$ 4,617	\$ 48,388	\$ 39,532	\$ 92,537
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,617</u>	<u>\$ 48,388</u>	<u>\$ 39,532</u>	<u>\$ 92,537</u>

## **SUPPLEMENTARY INFORMATION SCHEDULES**



**CITY OF PLAQUEMINE, LOUISIANA  
GENERAL GOVERNMENTAL DATA  
FOR LAST TEN FISCAL YEARS**

	FYE 10-31-10	FYE 10-31-11	FYE 10-31-12	FYE 10-31-13	FYE 10-31-14	FYE 10-31-15	FYE 10-31-16	FYE 10-31-17	FYE 10-31-18	FYE 10-31-19
<b>REVENUES BY SOURCE</b>										
Taxes	\$ 210,274	\$ 210,169	\$ 242,355	\$ 221,595	\$ 220,350	\$ 215,530	\$ 217,957	\$ 220,769	\$ 245,107	\$ 309,449
License and permits	394,902	429,558	414,882	426,646	412,140	429,539	439,113	458,977	433,582	422,716
Intergovernmental	1,149,954	650,407	750,858	664,172	617,830	629,024	640,404	638,844	920,902	607,275
Charges for services	9,881	55,208	49,325	49,213	54,475	36,153	55,210	35,009	58,673	39,811
Fines and forfeits	7,318	4,574	5,721	6,431	8,390	3,395	4,679	10,951	7,106	7,444
Miscellaneous	110,451	244,895	70,891	67,651	128,130	69,184	98,556	93,366	136,814	133,628
Other financing sources	5,481,488	5,146,627	4,512,324	5,367,257	7,093,683	5,939,206	6,499,960	7,175,818	6,015,879	6,722,609
<b>TOTALS</b>	<b>\$ 7,364,268</b>	<b>\$ 6,741,438</b>	<b>\$ 6,046,356</b>	<b>\$ 6,802,965</b>	<b>\$ 8,534,998</b>	<b>\$ 7,322,031</b>	<b>\$ 7,955,879</b>	<b>\$ 8,633,734</b>	<b>\$ 7,818,063</b>	<b>\$ 8,242,932</b>
<b>EXPENDITURES BY FUNCTION</b>										
General Government	\$ 1,618,747	\$ 1,413,964	\$ 1,202,273	\$ 1,340,590	\$ 1,296,969	\$ 1,375,591	\$ 1,274,179	\$ 1,308,578	\$ 1,514,462	\$ 1,547,888
City Court	345,857	336,475	344,512	353,059	390,445	364,681	361,795	380,029	454,604	402,646
Police Department	2,133,392	2,061,591	2,288,810	2,241,325	2,487,297	2,216,820	2,350,711	2,599,921	2,623,021	2,784,609
Fire Department	1,375,438	1,120,135	1,187,282	1,101,908	1,807,751	1,206,503	1,569,928	1,507,977	1,510,015	1,429,741
Public Works	662,425	725,701	593,423	643,089	664,280	668,258	705,591	802,379	822,943	837,726
Recreation	635,563	1,776,591	648,424	809,334	1,050,645	350,324	435,198	879,512	752,172	1,363,028
Public Health	9,948	9,948	10,632	10,632	10,632	13,204	11,808	11,808	16,367	12,734
Transfers to Debt Service Fund	26,835	28,445	26,585	-	-	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 6,808,205</b>	<b>\$ 7,472,850</b>	<b>\$ 6,301,941</b>	<b>\$ 6,499,937</b>	<b>\$ 7,708,019</b>	<b>\$ 6,195,381</b>	<b>\$ 6,709,210</b>	<b>\$ 7,490,204</b>	<b>\$ 7,693,584</b>	<b>\$ 8,378,372</b>

**CITY OF PLAQUEMINE, LOUISIANA  
ASSESSED VALUE AND PROPERTY TAX REVENUES  
FOR LAST TEN FISCAL YEARS**

	<u>FYE 10-31-10</u>	<u>FYE 10-31-11</u>	<u>FYE 10-31-12</u>	<u>FYE 10-31-13</u>	<u>FYE 10-31-14</u>	<u>FYE 10-31-15</u>	<u>FYE 10-31-16</u>	<u>FYE 10-31-17</u>	<u>FYE 10-31-18</u>	<u>FYE 10-31-19</u>
<b>ASSESSED VALUE</b>										
Assessed value of land and improvements	\$ 32,039,770	\$ 32,069,885	\$ 31,999,485	\$ 32,698,110	\$ 32,391,840	\$ 33,121,650	\$ 33,412,450	\$ 33,808,235	\$ 34,906,235	\$ 36,627,835
Assessed value of all other property	-	-	-	-	-	-	-	-	-	-
	<u>\$ 32,039,770</u>	<u>\$ 32,069,885</u>	<u>\$ 31,999,485</u>	<u>\$ 32,698,110</u>	<u>\$ 32,391,840</u>	<u>\$ 33,121,650</u>	<u>\$ 33,412,450</u>	<u>\$ 33,808,235</u>	<u>\$ 34,906,235</u>	<u>\$ 36,627,835</u>
<b>PROPERTY TAX REVENUE GENERAL FUND</b>										
General property taxes	<u>\$ 154,201</u>	<u>\$ 152,118</u>	<u>\$ 156,189</u>	<u>\$ 157,888</u>	<u>\$ 157,412</u>	<u>\$ 157,015</u>	<u>\$ 160,999</u>	<u>\$ 165,229</u>	<u>\$ 177,263</u>	<u>\$ 186,720</u>
<b>SPECIAL REVENUE FUND</b>										
Ad valorem taxes:										
Building maintenance tax	86,577	85,860	88,114	89,359	88,905	88,525	91,217	92,787	99,967	105,307
Police equipment tax	86,577	85,860	88,114	89,359	88,905	88,525	91,217	92,787	99,967	105,307
<b>DEBT SERVICE FUND</b>										
Drainage Bonds	-	-	-	-	-	-	-	-	-	-
Sewerage Bonds	-	-	-	-	-	-	-	-	-	-
	<u>173,154</u>	<u>171,720</u>	<u>176,228</u>	<u>178,718</u>	<u>177,810</u>	<u>177,050</u>	<u>182,434</u>	<u>185,574</u>	<u>199,934</u>	<u>210,614</u>
<b>TOTAL PROPERTY TAX REVENUES</b>	<u>\$ 327,355</u>	<u>\$ 323,838</u>	<u>\$ 332,417</u>	<u>\$ 336,606</u>	<u>\$ 335,222</u>	<u>\$ 334,065</u>	<u>\$ 343,433</u>	<u>\$ 350,803</u>	<u>\$ 377,197</u>	<u>\$ 397,334</u>

CITY OF PLAQUEMINE, LOUISIANA  
 PROPRIETARY FUND  
 SCHEDULE OF BONDS OUTSTANDING  
 OCTOBER 31, 2019

Date Issued:	6-10-2010	10-20-2012	11-3-2014	12-14-17
Original Amount:	\$1,500,000	\$8,000,000	\$4,885,000	\$2,380,000

Description of  
Bonds:

	Sales Tax Bonds		Taxable Revenue Bonds		Sales Tax Bonds		Sales Tax Bonds		Total Maturities
	Interest Rate (Percentage)	Maturities	Interest Rate (Percentage)	Maturities	Interest Rate (Percentage)	Maturities	Interest Rate (Percentage)	Maturities	
2020	4.50%	74,000	4.50%	414,000	2.25%	240,000	3.00%	130,000	858,000
2021	4.50%	75,000	4.50%	418,000	2.50%	230,000	3.00%	135,000	858,000
2022	4.50%	75,000	4.50%	422,000	2.75%	235,000	3.50%	140,000	872,000
2023	4.50%	76,000	4.50%	426,000	3.00%	230,000	3.50%	145,000	877,000
2024	4.50%	77,000	4.50%	430,000	3.25%	225,000	3.50%	155,000	887,000
2025	4.50%	77,000	4.50%	434,000	4.00%	225,000	3.00%	155,000	891,000
2026	4.50%	78,000	4.50%	438,000	4.00%	220,000	3.00%	165,000	901,000
2027	4.50%	79,000	4.50%	442,000	4.00%	220,000	3.00%	175,000	916,000
2028	4.50%	80,000	4.50%	446,000	4.00%	220,000	3.50%	180,000	926,000
2029	4.50%	81,000	4.50%	450,000	4.00%	215,000	3.83%	185,000	931,000
2030	4.50%	81,000	4.50%	454,000	5.00%	215,000	4.00%	190,000	940,000
2031	4.50%	82,000	4.50%	459,000	5.00%	290,000	4.00%	200,000	1,031,000
2032		-	4.50%	463,000	5.00%	385,000	4.00%	210,000	1,058,000
2033		-	4.50%	468,000	5.00%	405,000		215,000	1,088,000
2034		-	4.50%	472,000		-		-	472,000
<b>Total</b>		935,000		6,636,000		3,555,000		2,380,000	13,506,000
Less: Current Maturities		(74,000)		(414,000)		(240,000)		(130,000)	(858,000)
<b>Long-term</b>		<b>\$ 861,000</b>		<b>\$ 6,222,000</b>		<b>\$ 3,315,000</b>		<b>\$ 2,250,000</b>	<b>\$ 12,648,000</b>

CITY OF PLAQUEMINE, LOUISIANA  
GOVERNMENTAL FUNDS  
SCHEDULE OF BONDS OUTSTANDING  
OCTOBER 31, 2019

Date Issued: 7/1/2010  
Original Amount: \$12,340,000  
Description of Bonds: Sales Tax Bonds,  
Series 2010 B  
Interest Payment Dates: 6-1; 12-1

Maturing in Fiscal Year Ended 10/31	Interest Rate	Total Maturities
2020	3.500%	620,000
2021	4.000%	655,000
2022	4.000%	680,000
2023	4.000%	715,000
2024	4.000%	750,000
2025	4.000%	790,000
2026	4.000%	825,000
2027	4.050%	865,000
2028	4.125%	905,000
2029	4.125%	950,000
2030	4.125%	995,000
Totals		<u>\$ 8,750,000</u>

CITY OF PLAQUEMINE, LOUISIANA  
 PROPRIETARY FUND  
 OPERATING INCOME  
 FOR THE YEAR ENDED OCTOBER 31, 2019

	<u>Total</u>	<u>Electricity</u>	<u>Water</u>	<u>Sewerage</u>	<u>Gas</u>
<b>OPERATING REVENUE</b>					
Metered sales to general customers (less return and allowances)	\$ 14,358,305	\$ 10,611,349	\$ 1,241,022	\$ 1,164,847	\$ 1,341,087
Billings to municipality and utilities system	571,702	559,848	4,667	-	7,187
Other operating revenue	<u>33,875</u>	<u>27,555</u>	<u>4,920</u>	<u>525</u>	<u>875</u>
<b>TOTAL OPERATING REVENUE</b>	<u>14,963,882</u>	<u>11,198,752</u>	<u>1,250,609</u>	<u>1,165,372</u>	<u>1,349,149</u>
<b>OPERATING EXPENSES</b>	<u>15,436,478</u>	<u>10,658,970</u>	<u>1,269,982</u>	<u>2,318,186</u>	<u>1,189,340</u>
<b>OPERATING INCOME</b>	<u>\$ (472,596)</u>	<u>\$ 539,782</u>	<u>\$ (19,373)</u>	<u>\$ (1,152,814)</u>	<u>\$ 159,809</u>
 <b>PERCENT OF TOTAL OPERATING REVENUE</b>	 100%	 74.8%	 8.4%	 7.8%	 9.0%

CITY OF PLAQUEMINE, LOUISIANA  
 PROPRIETARY FUND  
 OPERATING EXPENSES  
 FOR THE YEAR ENDED OCTOBER 31, 2019

	Electric Distribution	Water Distribution	Sewerage	Gas Distribution	Total
Salaries and wages	\$ 414,861	\$ 244,024	\$ 232,365	\$ 119,366	\$ 1,010,616
Maintenance of lines and equipment	579,474	187,779	543,458	92,451	1,403,162
Supplies	32,576	112,207	32,150	14,347	191,280
Compensation and liability insurance	113,032	32,337	30,905	15,834	192,108
Other insurance and retirement	259,595	176,980	192,771	76,601	705,947
Utilities	3,570	86,840	225,540	2,543	318,493
Engineer and other professional fees	25,150	2,184	84,210	17,850	129,394
Current purchased	6,554,307	-	-	-	6,554,307
Sludge disposal	-	-	10,173	-	10,173
Natural gas purchased	-	-	-	581,751	581,751
All other	35,846	33,267	33,768	9,651	112,532
Depreciation	554,744	161,433	715,790	7,662	1,439,629
	<u>8,573,155</u>	<u>1,037,051</u>	<u>2,101,130</u>	<u>938,056</u>	<u>12,649,392</u>
General and administrative expenses	<u>2,085,815</u>	<u>232,931</u>	<u>217,055</u>	<u>251,284</u>	<u>2,787,086</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>\$ 10,658,970</u></b>	<b><u>\$ 1,269,982</u></b>	<b><u>\$ 2,318,185</u></b>	<b><u>\$ 1,189,340</u></b>	<b><u>\$ 15,436,478</u></b>

**CITY OF PLAQUEMINE, LOUISIANA  
PROPRIETARY FUND  
GENERAL AND ADMINISTRATIVE EXPENSES  
FOR THE YEAR ENDED OCTOBER 31, 2019**

	<u>2019</u>
<b>GENERAL AND ADMINISTRATIVE</b>	
Salaries - office warehouse and superintendent	\$ 993,788
Payroll taxes, retirement and compensated absences	478,314
Other professional fees	47,711
Outsourcing	68,797
Bad debts (net of recoveries)	147,452
Insurance	254,162
Depreciation:	
Automobile and trucks	40,270
Furniture and fixtures	15,732
Warehouse	71,278
Other equipment and computer system	118,918
Automobile and truck expense	12,121
Supplies and expense	59,126
Utilities	17,228
Postage and telephone	33,029
Rent	64,834
Audit fee	28,000
Dues	4,498
Repairs and maintenance on building and equipment	155,925
Uniforms	4,431
Travel and conventions	14,724
Advertising	55,772
All other	100,976
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b><u>\$ 2,787,086</u></b>

	<u>Percent</u>	<u>Amount</u>
Electricity	74.8%	\$ 2,085,815
Water	8.4%	232,931
Sewerage	7.8%	217,055
Gas	9.0%	251,284
	<b><u>100.0%</u></b>	<b><u>\$ 2,787,086</u></b>

Based on a percent of total operating revenue as shown on Schedule 5.



CITY OF PLAQUEMINE, LOUISIANA  
CHANGES IN UTILITY PLANT IN SERVICE  
FOR THE YEAR ENDED OCTOBER 31, 2019

	PLANT IN SERVICE					ACCUMULATED DEPRECIATION			
	BALANCE 10/31/2018	Additions	Deletions	Reclassification	BALANCE 10/31/2019	BALANCE 10/31/2018	Additions	Deletions	BALANCE 10/31/2019
Electric generation and distribution system	\$ 29,983,503	\$ -	\$ -	\$ -	\$ 29,983,503	\$ 19,727,951	\$ 554,744	\$ -	20,282,695
Water pumping and distribution system	7,076,069	53,381	-	-	7,129,450	5,105,987	161,433	-	5,267,420
Sewerage system	24,887,610	-	-	-	24,887,610	6,370,027	715,790	-	7,085,817
Natural gas distribution system	1,243,327	-	-	-	1,243,327	1,203,916	7,662	-	1,211,578
Construction in Progress	-	236,260	-	-	236,260	-	-	-	-
Land	363,626	-	-	-	363,626	-	-	-	-
Buildings	1,267,729	-	-	-	1,267,729	942,427	71,278	-	1,013,705
Equipment	4,359,972	206,189	-	-	4,566,161	4,000,142	159,188	-	4,159,330
Furniture and fixtures	316,289	15,759	-	-	332,048	264,377	15,732	-	280,109
Right of way	211,000	-	-	-	211,000	-	-	-	-
UTILITY PLANT IN SERVICE	<u>\$ 69,709,125</u>	<u>\$ 511,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,220,714</u>	<u>\$ 37,614,827</u>	<u>\$ 1,685,827</u>	<u>\$ -</u>	<u>\$ 39,300,654</u>

**CITY OF PLAQUEMINE, LOUISIANA  
ENTERPRISE FUND  
UTILITY UNITS PROVIDED AND ACCOUNTED FOR  
FOR THE YEAR ENDED OCTOBER 31, 2019**

<b>ELECTRICITY</b>	<b>2019</b>
KWH purchased (invoiced) and available	<u>105,672,000</u>
KWH metered to customers:	
Residential	55,078,610
Commercial	12,711,093
Industrial	27,700,370
KWH metered to municipality and utilities system:	<u>4,238,076</u>
KWH accounted for	<u>99,728,149</u>
KWH unaccounted for	5,943,851
Percentage unaccounted for	5.62%
Cost per KWH utilized	\$ 0.1069
<b>NATURAL GAS</b>	
MCF purchased and available	<u>155,363</u>
MCF metered to customers	142,159
MCF metered to municipality	<u>1,039</u>
	<u>143,198</u>
MCF loss	<u>12,165</u>
Percentage unaccounted for	7.83%
Cost per MCF utilized	\$ 8.31
<b>AVERAGE NUMBER OF BILLINGS PER MONTH</b>	
Electric	4,481
Gas	2,804
Water	4,700
<b>AVERAGE METERED BILLINGS PER MONTH</b>	
Electric	\$197.32
Gas	\$39.86
Water	\$22.00

# City of Plaquemine

## Utility Rates

Revised as of November 2017

### SCHEDULE 10

#### Residential Electrical Rates

Energy Charge:	7.8 Cents per kWh
plus	
Customer Charge:	Inside City No charge
	Outside City \$6.00 per month
plus	
Power Cost Adjustment	

#### Commercial Electrical Rates (Less or equal to 40 kW Demand)

Energy Charge:	8.5 Cents per kWh
plus	
Customer Charge:	Inside City \$10.00 per month
	Outside City \$15.00 per month
plus	
Power Cost Adjustment*	

#### Industrial Electric Rates (More than 40 kW Demand)

Energy Charge:	5.7 Cents per kWh
plus	
Demand Charge:	\$6.50 per kW
First 300 kW	
plus	
Off-Peak	\$6.50 per kW
	Excess kW off-peak
plus	
Customer Charge:	Inside City \$20.00 per month
	Outside City \$25.00 per month
plus	
Power Cost Adjustment*	

#### Security Lighting Service

100 & 175 Watt Lamp	\$6.00 per month
250 & 400 Watt Lamp	\$12.00 per month

#### Special Street Light Charge

\$1.00 per month per customer for streets out of the City Limits that have street lighting

#### Power Cost Adjustment

\*\*\* All kWh will be charged (or credited) a Power Cost Adjustment equal to the amount the cost of purchased power adjusted for system losses exceeded (or was less than) 0.03813 cents per kWh in the previous month.

#### General Gas Rates

Commodity Charge:	4.00 per mcf
plus	
Res Customer Charge:	Inside City \$5.00 per month
	Outside City \$6.00 per month
Com Customer Charge	Inside City \$ 10.00 per month
	Outside City \$ 15.00 per month

Plus

#### Natural Gas Cost Adjustment\*\*

\*\*\* All mcf will be charged (or credited) a Natural Gas Cost Adjustment equal to the amount the cost of natural gas adjusted for system losses exceeded (or was less than) \$ 0.00 per mcf in the previous month.

#### General Water Rates

Commodity Charge:	\$2.50 per 1,000 gallons (Inside City, District 1)
	\$3.00 per 1,000 gallons (Outside City, District 2 & 3)
Res Customer Charge:	Inside City \$5.00 per month
	Outside City \$7.00 per month
Com Customer Charge	Inside City \$ 11.00 per month
	Outside City \$ 13.00 per month

#### Sewerage Rates

Commodity Charge:	\$2.50 per 1,000 gallons actual water usage (Inside City, District 1)
	\$3.00 per 1,000 gallons actual water usage (Outside City, District 2&3)
Res Customer Charge:	\$5.00 per month (Inside City - Residential)
	\$7.00 per month (Outside City - Residential)
Com Customer Charge	\$11.00 per month (Inside City - Commercial)
	\$13.00 per month (Outside City - Commercial)

CITY OF PLAQUEMINE, LOUISIANA  
ENTERPRISE FUND  
INSURANCE IN FORCE  
OCTOBER 31, 2019  
(Unaudited)

Insurance	Type of Coverage	Amount	Policy Inception Date	Term in Months
Hartford Steam Boiler Insurance Co.	Boiler and machinery	\$20,000,000 maximum limit	4/25/2019	12
Travelers Insurance	Comprehensive general liability; auto liability; Police Professional Liability; Errors and Omissions Liability Comprehensive	\$1,000,000 per occurrence	11/1/2018	12
LA Municipal Risk Management Agency	Workmen's Compensation	Statutory	1/1/2019	12
AmRisc - Lloyds London	Property	Buildings at replacement value	4/25/2019	12
National Union Fire Insurance	Fire	Various	6/1/2019	12

\*Includes vehicles owned by General Government.

The above schedule of insurance coverage is intended only as a descriptive summary and the independent accountants express no opinion as to the adequacy of such coverage.

CITY OF PLAQUEMINE, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD  
FOR THE YEAR ENDED OCTOBER 31, 2019

Agency Head Name: Edwin M. Reeves, Jr.

PURPOSE	AMOUNT
Salary	\$ 89,357
Benefits - insurance	15,826
Benefits- retirement	23,774
Car allowance	14,400
Travel	3,838
Registration fees	1,340
Conference Travel	288
Dues	675
Reimbursements	-
<b>TOTAL</b>	<b>\$ 149,498</b>

CITY OF PLAQUEMINE, LOUISIANA  
STATE OF LOUISIANA  
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
FOR THE YEAR ENDED OCTOBER 31, 2019

<u>Board Members</u>	<u>Amount</u>
Lindon Rivet, Jr.	\$ 14,160
Oscar Mellion	14,160
Ralph Stassi, Jr.	14,160
Mickey Rivet	14,160
Timmy Martinez	14,160
Jimmie Randle	<u>14,160</u>
Total	<u><u>\$ 84,960</u></u>

## **OTHER REPORTS REQUIRED BY GAS AND HUD**



# BAXLEY AND ASSOCIATES, LLC

P. O. Box 482  
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Plaquemine, Louisiana 70764  
Phone (225) 687-6630 Fax (225) 687-0365

Margaret A. Pritchard, CPA/CGMA  
Matthew L. Berthelot, CPA

-----  
Staci H. Joffrion, CPA/CGMA

-----  
Hugh F. Baxley, CPA/CGMA/CVA – Retired

## SCHEDULE 14

The Honorable Edwin M. Reeves, Jr., Mayor  
and Members of the Board of Selectmen  
City of Plaquemine, Louisiana

### **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**

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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plaquemine, Louisiana, as of and for the year ended October 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Plaquemine, Louisiana's basic financial statements, and have issued our report thereon dated April 6, 2020.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Plaquemine, Louisiana'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 of Plaquemine, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Plaquemine, Louisiana's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Plaquemine, Louisiana'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of 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.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
April 6, 2020

**CITY OF PLAQUEMINE, LOUISIANA  
SCHEDULE OF FINDINGS  
YEAR ENDED OCTOBER 31, 2019**

**A. SUMMARY OF AUDIT RESULTS***Financial Statements*

Type of auditor's report issued: *unqualified*

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ yes      X   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   no
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

There were no findings.

**SCHEDULE 16**

**CITY OF PLAQUEMINE, LOUISIANA  
SCHEDULE OF PRIOR FINDINGS  
FOR THE YEAR ENDED OCTOBER 31, 2019**

There were no findings in the prior year.

# BAXLEY AND ASSOCIATES, LLC

P. O. Box 482  
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## SCHEDULE 17

The Honorable Edwin M. Reeves, Jr., Mayor  
And Members of the Board of Selectman  
City of Plaquemine, Louisiana  
And  
U.S. Department of Housing and Urban Development  
Real Estate Assessment Center

### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL DATA SCHEDULE

We have audited the basic financial statements of the City of Plaquemine, Louisiana, as of and for the year ended October 31, 2019, and have issued our report thereon dated April 6, 2020. 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Financial Data Schedule is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development (HUD) Real Estate Assessment Center (REAC) and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applies in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respected in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies, pass-through entities, and HUD REAC, and is not intended and should not be used by anyone other than these specified parties.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
April 6, 2020

CITY OF PLAQUEMINE, LOUISIANA  
 FINANCIAL DATA SCHEDULE - BALANCE SHEET  
 AS ENTERED INTO HUD REAC  
 SEPTEMBER 30, 2019

	14.871 Housing Choice Vouchers
	<hr/>
<b>ASSETS</b>	
111 Cash - Unrestricted	\$ 7,346
113 Cash - Restricted	4,670
128 Fraud recovery	-
128.1 Allowance for doubtful accounts	<hr/> -
<b>TOTAL ASSETS</b>	<hr/> <b>\$ 12,016</b> <hr/>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
312 Accounts payable	\$ 12,016
	<hr/>
<b>Equity</b>	
511.4 Restricted net position	-
512.4 Unrestricted net position	<hr/> ..
<b>Total Equity</b>	<hr/> -
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<hr/> <b>\$ 12,016</b> <hr/>

CITY OF PLAQUEMINE, LOUISIANA  
 FINANCIAL DATA SCHEDULE - INCOME STATEMENT  
 AS ENTERED INTO HUD REAC  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

Line Item #	Description	14.871 Housing Choice Vouchers
<b>REVENUES</b>		
70600	Received From HUD	\$ 353,824
71500	Portability	-
71400	Fraud Recovery	2,488
<b>70000</b>	<b>TOTAL REVENUES</b>	<b>356,312</b>
<b>EXPENSES</b>		
<b>Administrative</b>		
91100	Admin salaries	19,620
91200	Accounting and audit	4,500
91300	Management fee	14,292
91500	Employee Benefits	12,940
91600	Office Expenses	1,272
91000	Total Operating Administrative	52,624
97300	Housing assistance pmts	318,768
97350	Portability	-
<b>90000</b>	<b>TOTAL EXPENSES</b>	<b>371,392</b>
<b>97000</b>	<b>Excess Revenue over Operating Expenses</b>	<b>(15,080)</b>
10030	Operating transfers from Primary Govt	15,955
<b>10000</b>	<b>Excess (deficiency) of Total Revenue Over (Under) Total Expenses</b>	<b>875</b>
<b>11030</b>	<b>Beginning Equity</b>	<b>3,795</b>
11040	Equity Transfers	(4,670)
<b>ENDING EQUITY</b>		<b>\$ -</b>
<b>ENDING EQUITY RECONCILIATION</b>		
11170	Administrative Fee Equity	
11180	Housing Assistance Pmt Equity	
<b>ENDING EQUITY</b>		<b>-</b>
1119	Unit Months Available	1,206
11210	Number of Unit Months Leased	673



**CITY OF PLAQUEMINE, LOUISIANA**  
**INDEPENDENT ACCOUNTANT'S REPORT ON**  
**APPLYING AGREED-UPON PROCEDURES**  
**FOR THE YEAR ENDED OCTOBER 31, 2019**

# BAXLEY AND ASSOCIATES, LLC

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To the Honorable Edwin M. Reeves, Jr. Mayor  
and Members of the Board of Selectmen  
and the Louisiana Legislative Auditors  
City of Plaquemine, Louisiana

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

We have performed the procedures enumerated below, which were agreed to by the City of Plaquemine, Louisiana and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period November 1, 2018 through October 31, 2019. The City of Plaquemine, Louisiana's management is responsible for those control and compliance areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

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

1. 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
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*Findings: Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category for items a through j since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category for items a through j.*

*Written Policies and Procedures were provided that addressed all items included in item K above.*

*No exceptions were noted as a result of applying the procedure.*

#### **Board (or Finance Committee, if applicable)**

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.

*Findings:* Based on the terms of the Agreed Upon Procedures, we were allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.

### **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);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*Findings:* Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

### **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).

*Findings:* We reviewed a listing of the deposit sites and representation provided by management.

No exceptions were noted as a result of applying the procedure.

- 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.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

*Findings:* For each deposit site, we examined a listing of collection locations and the employees that are involved in cash collections, preparing/making deposits, and reconciling collections to the general ledger. Of the five locations, two locations do share cash drawers, but these locations are monitored by cameras.

No exceptions were noted as a result of applying the procedure.

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

*Findings:* Per management, all employees who handle cash or covered by an insurance policy for theft.

No exceptions were noted as a result of applying the procedure.

- 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.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

*Findings:* There were three deposits out of the ten total selected that were not deposited to the bank within one business day of collection and each of these deposits were greater than \$100. One deposit was deposited two days after collection; the second deposit was deposited four days after collection. The third deposit had receipts dated a month prior to the deposit.

***Non-Payroll Disbursements (excluding credit 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).

*Findings:* Based on the terms of the Agreed Upon Procedures, we were allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.



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.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*Findings:* Based on the terms of the Agreed Upon Procedures, we were allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.

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

*Findings:* Based on the terms of the Agreed Upon Procedures, we were allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.

#### ***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.

*Findings:* Based on the terms of the Agreed Upon Procedures, we were allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.

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.]]

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

*Findings:* Based on the terms of the Agreed Upon Procedures, we were allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.

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).

*Findings:* Based on the terms of the Agreed Upon Procedures, we were allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.

#### **Travel and Expense Reimbursement**

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Findings:* Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

#### **Contracts**

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *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.



- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*Findings:* Based on the terms of the Agreed Upon Procedures, we were allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.

### ***Payroll and Personnel***

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*Findings:* Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*Findings:* Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

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

*Findings:* Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

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

*Findings:* Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

#### ***Ethics (excluding nonprofits)***

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

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

*Findings:* Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

#### ***Debt Service (excluding nonprofits)***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

*Findings:* Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

*Findings:* Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

#### ***Other***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Findings:* Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*Findings:* Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

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 control and compliance 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 control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control of 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.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
April 6, 2020

**CITY OF PLAQUEMINE, LOUISIANA**  
**Management's Response to Statewide Agreed Upon Procedures**  
**For the year ended October 31, 2019**

7. Management strives to minimize the amount of time between collection and the date of the deposit at the bank. However, based on the size of our staff, and to ensure proper segregation of duties, it is not feasible for all deposits to be made within one business day. Management will continue to review the procedure to determine if it may become feasible for deposits to be made within one business day in the future.