

# **CITY OF OAKDALE, LOUISIANA**

**ANNUAL FINANCIAL REPORT  
AND INDEPENDENT AUDITORS' REPORT**

**YEAR ENDED JUNE 30, 2013**

***Royce T. Scimemi, CPA, APAC***  
**Oberlin, LA**

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## CITY OF OAKDALE, LOUISIANA

### Management's Discussion and Analysis

Within this section of the City of Oakdale, Louisiana's annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2013. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

#### FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities by \$8,120,336 (net position) for the fiscal year reported.
- Total revenues of \$4,181,667 were exceeded by total expenses of \$4,530,097 which resulted in a current year deficit of \$348,430. In comparison, for the previous year ended June 30, 2012, the City's total revenues of \$4,241,209 exceeded its total expenses of \$4,214,742, yielding a surplus of \$26,467.
- Total net position are comprised of the following:
  - (1) Capital assets, net of related debt, of \$8,562,745 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets. In comparison, as of June 30, 2012, the City's net capital assets were \$7,399,787.
  - (2) For the fiscal years ended June 30, 2013 and 2012, respectively, net position of \$62,744 and \$367,957 were restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net position, representing the portion of net position available to maintain the City's continuing obligations to citizens and creditors, amounted to deficits of \$505,153 and \$56,453 for the fiscal years ended June 30, 2013 and 2012, respectively.
- The City's governmental funds reported total deficit ending fund balance of \$507,271 this year. This compares to the prior year ending fund balance of \$134,044 after restatement for prior period adjustments, reflecting a decrease of \$641,314 during the current year. For the prior year ended June 30, 2012, a decrease of \$33,744 was reported in the total ending fund balance. All positive fund balances are assigned to particular uses.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was a deficit of \$751,061, or (24%) of total General Fund expenditures and (29%) of total General Fund revenues including other financing sources. In comparison, for the fiscal year ended June 30, 2012, unassigned fund balance for the General Fund was a deficit of \$231,925, or (9%) of total General Fund expenditures and (9%) of total General Fund revenues including other financing sources.
- Overall, the City continues to maintain a weak financial position and is continuing to work to improve on this financial position.

## CITY OF OAKDALE, LOUISIANA

### Management's Discussion and Analysis (Continued)

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

#### OVERVIEW OF FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the City's basic financial statements, which include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference 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 as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other non-financial factors such as diversification of the taxpayer base, or the condition of City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by sales and ad valorem taxes from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities principally include general government, public safety and streets. Business-type activities include the water and sewer systems.

The government-wide financial statements are presented on pages 17 and 18 of this report.

#### FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

## CITY OF OAKDALE, LOUISIANA

### Management's Discussion and Analysis (Continued)

The City has two kinds of funds:

*Governmental funds* are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 21 through 26 of this report.

*Proprietary funds* are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements.

The basic enterprise fund financial statements are presented on pages 27 through 30 of this report.

#### NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 31 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's budget presentations. The management's discussion and analysis on pages 3 through 12 and budgetary comparison statements on pages 48 through 54 are included as "required supplementary information" for the general fund and the major special revenue funds. These statements and schedules demonstrate compliance with the City's adopted and final revised budgets.

As discussed, the City reports major funds in the basic financial statements. The other supplementary information including the proprietary fund's statement of operating expenses by department, the schedule of number of utility customers, the schedule of insurance in force, and the schedule of compensation paid to the Mayor and Council members are presented in a subsequent section of this report beginning on page 56.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Continued)

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City's net position at fiscal year-end are \$8,120,336. The following table provides a summary of the City's net position:

Summary of Net Position

	Governmental Activities	Business-Type Activities	2013 Total	Percentage Total	2012 Total
<b>Assets:</b>					
Current assets	\$ 511,419	\$ 208,690	\$ 720,109	5%	\$ 1,137,315
Restricted assets	8,268	54,476	62,744	1	237,503
Capital assets	<u>4,609,474</u>	<u>8,595,976</u>	<u>13,205,450</u>	<u>94</u>	<u>13,125,220</u>
<b>Total assets</b>	<b><u>5,129,161</u></b>	<b><u>8,859,142</u></b>	<b><u>13,988,303</u></b>	<b><u>100%</u></b>	<b><u>14,500,038</u></b>
Deferred outflows of resources	-	-	-	-%	-
<b>Liabilities:</b>					
Current liabilities	1,296,181	238,487	1,534,668	26%	1,440,970
Long-term liabilities	<u>1,451,952</u>	<u>2,881,347</u>	<u>4,333,299</u>	<u>74</u>	<u>5,347,777</u>
<b>Total liabilities</b>	<b><u>2,748,133</u></b>	<b><u>3,119,834</u></b>	<b><u>5,867,967</u></b>	<b><u>100%</u></b>	<b><u>6,788,747</u></b>
Deferred inflows of resources	-	-	-	-%	-
<b>Net Position:</b>					
Investment in capital assets, net of debt	2,926,374	5,636,371	8,562,745	105%	7,399,787
Restricted	8,268	54,476	62,744	1	367,957
Unrestricted	<u>(553,614)</u>	<u>48,461</u>	<u>(505,153)</u>	<u>(6)%</u>	<u>(56,453)</u>
<b>Total net position</b>	<b><u>\$ 2,381,028</u></b>	<b><u>\$ 5,739,308</u></b>	<b><u>\$ 8,120,336</u></b>	<b><u>100%</u></b>	<b><u>\$7,711,291</u></b>

The City continues to maintain weak current ratios. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio is 0.39 to 1 for governmental activities and 0.88 to 1 for business-type activities. This compares with the prior year's ratios of 0.87 to 1 and 0.68 to 1, respectively. For the City overall, the current ratio is 0.47 to 1 while that same financial indicator was 0.79 to 1 for the fiscal year ended June 30, 2012. These ratios are weak.

The City reported positive balances in net position for both governmental and business-type activities. For the fiscal years ended June 30, 2013 and 2012, respectively, net position increased (decreased) by (\$508,047) and (\$140,275) for governmental activities and by \$159,617 and \$166,739) for business-type activities. The City's overall financial position deteriorated significantly during the fiscal year ended in June 30, 2013.

Note that approximately 123% and 92% of the governmental activities' net position are tied up in capital assets as of June 30, 2013 and June 30, 2012, respectively. The City uses these capital assets to provide services to its citizens. However, with business-type activities, the City has spent approximately 98% and 99% of its net position on capital assets during the respective fiscal years ended June 30, 2013 and 2012. Capital assets in the business-type activities provide utility services, but they also generate revenues for this fund. For the respective fiscal years ended June 30, 2013 and 2012, 105% and 96% of the City's total net position, net of debt, are included in capital assets.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Continued)

The following table provides a summary of the City's changes in net position:

	Governmental Activities	Business-Type Activities	2013 Total	% Total	2012 Total	% Total
Revenues:						
Program:						
Charges for services/fines	\$ 303,245	\$ 1,478,532	\$ 1,781,777	43%	\$ 1,707,839	40%
Operating grants	80,250	-	80,250	1%	176,072	4%
Capital grants	161,608	-	161,608	4%	332,801	8%
General:						
Sales taxes	1,153,505	-	1,153,505	28%	1,131,115	27%
Other taxes	675,785	-	675,785	16%	629,345	15%
Other	328,695	47	328,742	8%	264,037	6%
<b>Total Revenues</b>	<b><u>2,703,088</u></b>	<b><u>1,478,579</u></b>	<b><u>4,181,667</u></b>	<b><u>100%</u></b>	<b><u>4,241,209</u></b>	<b><u>100%</u></b>
Program expenses:						
General government	982,801	-	982,801	22%	969,511	23%
Public safety:						
Police	1,291,547	-	1,291,547	29%	1,085,848	26%
Fire	423,464	-	423,464	9%	373,649	9%
Public works	522,504	-	522,504	12%	609,505	14%
Health and recreation	257,708	-	257,708	5%	233,051	6%
Interest	59,860	31,597	91,457	2%	81,052	2%
Utility expenses	-	960,616	960,616	21%	862,126	20%
<b>Total Expenses</b>	<b><u>3,537,884</u></b>	<b><u>992,213</u></b>	<b><u>4,530,097</u></b>	<b><u>100%</u></b>	<b><u>4,214,742</u></b>	<b><u>100%</u></b>
Excess (deficiency)	(834,796)	486,366	(348,430)		26,467	
Transfers	326,749	(326,749)	-		-	
Change in net position	(508,047)	159,617	(348,430)		26,467	
Beginning net position	3,063,676	4,647,615	7,711,291		7,684,824	
Prior Period Adjustment-Note L	(174,601)	932,076	757,475		-	
Beginning net position-as restated	<u>2,889,075</u>	<u>5,579,691</u>	<u>8,468,766</u>		<u>7,684,824</u>	
Ending net position	<b><u>\$ 2,381,028</u></b>	<b><u>\$ 5,739,308</u></b>	<b><u>\$ 8,120,336</u></b>		<b><u>\$ 7,711,291</u></b>	

GOVERNMENTAL REVENUES

The City is heavily reliant on sales taxes to support governmental operations. Sales taxes equal 28% of the revenues for governmental activities, as compared with 27% in the prior year. Also note that program revenues cover only 15% (15% in the year ended June 30, 2012) of governmental operating expenses. This means that the government's taxpayers and the City's other general revenues fund 76% (85% in the prior fiscal year) of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

For the fiscal years ended June 30, 2013 and 2012, respectively, police services comprised 29% and 26% of the City's total expenses and 37% and 32% of the total governmental expenses. For the fiscal years ended June 30, 2013 and 2012, total public safety makes up 48% and 44% of the total governmental expenses.

This table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Continued)

Governmental Activities

	<u>Total Cost of Services</u>	<u>Net Cost (Benefit) of Services</u>
General government	\$ 982,801	\$ 669,302
Public safety:		
Police	1,291,547	1,068,193
Fire	423,464	415,214
Public works	522,504	522,504
Health and recreation	257,708	257,708
Interest on long-term debt	59,860	59,860
Total	<u>\$ 3,537,884</u>	<u>\$ 2,992,781</u>

BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs

The operating revenues for the utility funds were 4% more than 2012 and operating expenses 11% more than 2012. Within the total business-type activities of the City, these activities reported a \$496,214 operating income compared to an operating income of \$542,802 for the prior year.

However, after operating transfers out, the funds reported a surplus of \$159,617, which compares with the overall fund surplus of \$166,739 experienced in the year ended June 30, 2012.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of (\$507,271) and \$134,043 (after prior period adjustments) for the fiscal years ended June 30, 2013 and 2012, respectively. Of the year-end totals for June 30, 2013, (\$752,516) and \$438,639 was unassigned for the respective years, indicating lack of availability for continuing City service requirements. Assigned fund balance included \$236,977 committed to public safety, public works and infrastructure. Legally restricted fund balance included \$8,268 committed to debt service in the year ended June 30, 2013.

The total ending fund balances of governmental funds show an decrease of \$641,314. This compares with an decrease of \$33,744 experienced in the prior fiscal year ended June 30, 2012.

MAJOR GOVERNMENTAL FUNDS

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$519,136 in the current fiscal year, while in the fiscal year ended June 30, 2012, the fund balance decreased by \$15,713. However, the reader needs to remember that the City controls these differences by the amount of resources it transfers in from the City's other funds.



## CITY OF OAKDALE, LOUISIANA

### Management's Discussion and Analysis (Continued)

The revenues show an increase of \$132,922 or 13% more than the prior year reflecting primarily increases in income from intergovernmental sources. The expenditures side shows an increase of \$399,861 or 15% more than the prior year reflecting primarily increases in public safety and capital outlay spending.

The General Fund's ending fund balance was less than the prior year representing the equivalent of (17%) of its annual expenditures and (20%) of its annual revenues including operating transfers.

The Sales Tax Fund continues to maintain a minimal fund balance with revenues in 2013 being 6% more than those earned in the fiscal year ended June 30, 2012, which had experienced a 2% increase from the preceding year. Expenditures consisted primarily of transfers to other funds.

The Gaming Fund continues to maintain a minimal fund balance as revenues in 2013 were .5% less than those earned in the fiscal year ended June 30, 2012, which had experienced a 2% decrease from the preceding year. Expenditures consisted primarily of transfers to other funds.

The Fire Department Fund continues to maintain a minimal fund balance with revenues in 2013 being 7% more than those earned in the fiscal year ended June 30, 2012. The expenditures side shows an increase of \$265,485 or 97% more than the prior year reflecting primarily increases in capital outlay spending.

The Debt Service Fund is used to accumulate monies for the payment of principal and interest on long-term indebtedness and is maintaining a minimal fund balance with revenues in 2013 being 5% less than those earned in the fiscal year ended June 30, 2012. Shortfalls are generally covered by transfers from other funds.

### THE PROPRIETARY FUNDS

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term information about financial status.

### BUDGETARY HIGHLIGHTS

The General Fund - Both the revenue and the expenditure sides of the current year final budget for the General Fund were revised by a \$19,493 decrease and a \$338,806 increase, respectively in relation to the prior year's final budget. The primary change in the General Fund's amended revenue budget relates to increases in grant income, and the amended expenditure budget increases to financial administration and public works.

The actual revenues exceeded the final budget by \$93,318 or 9% and the actual expenditures exceeded the final budget by \$326,760 or 31%.

The Sales Tax Fund - Both the revenue and the expenditure sides of the current year final budget for the Sales Tax Fund were revised by a \$59,143 increase and a \$736 increase, respectively in relation to the prior year's final budget. The primary change in the Sales Tax Fund's amended revenue budget relates to the increase in sales tax revenues, and the amended expenditure budget to the increase in sales tax collection fees.

The actual revenues exceeded the final budget revenues by \$14,347 or 1% and the actual expenditures exceeded the final budget by \$3,392 or 15%.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Continued)

The Gaming Fund - The revenue side of the current year's final budget for the Gaming Fund was the same as the prior year's final budget. There was no change in the Gaming Fund's budget.

The actual revenues were exceeded by the final budgeted revenues by \$4,190 or 2% and the actual expenditures exceeded the final budget by \$150 or greater than 100%.

The Fire Department Fund - The revenue and expenditure sides of the current year's final budget for the Fire Department Fund was revised by a \$570 decrease and a \$33,062 increase, respectively in relation to the prior year's final budget. The primary change in the Fire Department Fund's amended budget relates to the overall increase in expenditures.

The actual revenues exceeded the final budgeted revenues by \$13,400 or 10% and the actual expenditures exceeded the final budgeted expenditures by \$268,258 or 99%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2013, were \$4,609,474 and \$8,595,976, respectively, while those figures as of June 30, 2012, were \$4,469,785 and \$8,655,435 respectively. The overall increase was 1% for the City as a whole. See Note D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
Non-depreciable assets:						
Land	\$ 532,583	\$ 532,583	\$ 70,543	\$ 70,543	\$ 603,126	\$ 603,126
Construction in progress	-	-	4,091,416	-	4,091,416	-
Total non-depreciable	<u>532,583</u>	<u>532,583</u>	<u>4,161,959</u>	<u>70,543</u>	<u>4,694,542</u>	<u>603,126</u>
Depreciable assets:						
Buildings	6,159,277	6,159,277	-	-	6,159,277	6,159,277
Vehicles	1,395,889	1,053,548	-	-	1,395,889	1,053,548
Equipment, furniture and fixtures	1,408,052	1,369,476	80,955	73,669	1,489,007	1,443,145
Improvements other than buildings	386,036	467,359	-	-	386,036	467,359
Utility systems	-	-	12,458,861	16,461,664	12,458,861	16,461,664
Infrastructure	<u>1,499,847</u>	<u>1,499,847</u>	-	-	<u>1,499,847</u>	<u>1,499,847</u>
Total depreciable assets	10,849,101	10,549,507	12,539,816	16,535,333	23,388,917	27,084,840
Less accumulated depreciation	<u>6,911,899</u>	<u>6,472,616</u>	<u>8,046,340</u>	<u>8,009,900</u>	<u>14,958,239</u>	<u>14,482,516</u>
Book value-depreciable assets	<u>\$ 3,937,202</u>	<u>\$ 4,076,891</u>	<u>\$ 4,493,476</u>	<u>\$ 8,525,433</u>	<u>\$ 8,430,678</u>	<u>\$ 12,602,324</u>
Percentage depreciated	64%	61%	64%	48%	64%	53%
Book value-all assets	<u>\$ 4,469,785</u>	<u>\$ 4,609,474</u>	<u>\$ 8,655,435</u>	<u>\$ 8,595,976</u>	<u>\$ 13,125,220</u>	<u>\$ 13,205,450</u>

The depreciable capital assets for governmental activities were 62% and 64% depreciated for the fiscal years ended June 30, 2013 and June 30, 2012, respectively. This comparison indicates that the City is replacing its assets at approximately the same rate as they are depreciating.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Continued)

The major additions are:

- Playground equipment
- 3 police vehicles
- Fire-fighting equipment
- Kubota tractor

With the City's business-type activities, 48% of the asset values were depreciated at June 30, 2013 compared to 64% at June 30, 2012.

The major additions are:

- Lift station
- Wastewater treatment rehabilitation

Long-term debt

At the end of the fiscal year, the City had total long-term debt outstanding of \$4,655,587. All of this amount is backed by the full faith and credit of the City with debt service funded by sales taxes and sewer fund revenues.

During the year, the City issued \$360,137 and retired \$365,700 in long-term debt. See Note G for additional information regarding long-term debt.

	Outstanding Borrowings	
	<u>2012</u>	<u>2013</u>
Sewer revenue bonds	\$ 2,964,459	\$ 2,952,473
Revolving loan	896,412	811,412
General obligation bond	400,000	340,000
Certificates of indebtedness	365,000	300,000
Capital lease obligations	-	213,627
Accrued leave benefits	<u>35,279</u>	<u>38,075</u>
Total	<u>\$ 4,661,150</u>	<u>\$ 4,655,587</u>

ECONOMIC CONDITIONS AFFECTING THE CITY

The City's primary revenue stream is utility charges and sales taxes, which are subject to changes in the economy. Since sales are considered an "elastic" revenue stream, tax collections are higher in a flourishing economy and are lower in a depressed economy.

The current compact with the Coushatta Tribe of Louisiana began in 2001 and automatically renewed in 2007. The gaming revenues to be submitted to the City were scheduled in that compact to be at \$410,000 per year to assist with increased critical services like fire protection, police protection, and construction, maintenance, and repair of municipal infrastructure and housing. Recent gaming payments to the City for the current fiscal year amount to a little under \$44,000 per quarter. This represents a decrease of 57% of the funding from the original compact.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Continued)

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the City's Mayor, Gene Paul, P.O. Box 728, Oakdale, LA 71463.

# ROYCE T. SCIMEMI, CPA, APAC



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### INDEPENDENT AUDITORS' REPORT

December 19, 2013

Honorable Gene Paul, Mayor and the City Council  
City of Oakdale, Louisiana

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Oakdale, Louisiana as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Oakdale, Louisiana's basic financial statements as listed in the table of contents.

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

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

#### ***Auditor's Responsibility***

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

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

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

**Report on Summarized Comparative Information**

Darnall, Sikes, Gardes & Frederick previously audited the City's June 30, 2012 financial statements, and their report dated December 17, 2012 and reissued May 15, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**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, and each major fund of the City of Oakdale, Louisiana, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 48 through 54 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 Oakdale, Louisiana's basic financial statements. The statement of operating expenses by department-proprietary fund, the schedule of number of utility customers, the schedule of insurance in force, and the schedule of compensation paid to the Mayor and Council Members are presented on pages 56 through 59 for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures, except for the schedule marked "Unaudited", applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2013, on our consideration of the City of Oakdale, 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 the City of Oakdale, Louisiana's internal control over financial reporting and compliance.

Royce T. Scimemi, CPA, APAC

*Royce T. Scimemi, CPA, APAC*

**BASIC FINANCIAL STATEMENTS**

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



City of Oakdale, LA  
Statement of Net Position  
June 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 43,652	\$ 6,582	\$ 50,234
Receivables	429,421	202,108	631,529
Prepaid items	<u>38,346</u>	<u>-</u>	<u>38,346</u>
Total current assets	<u>511,419</u>	<u>208,690</u>	<u>720,109</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	8,268	-	8,268
Customers' deposit accounts	-	47,856	47,856
Sewer plant replacement accounts	-	6,620	6,620
Land	532,583	70,543	603,126
Capital assets, net	<u>4,076,891</u>	<u>8,525,433</u>	<u>12,602,324</u>
Total noncurrent assets	<u>4,617,742</u>	<u>8,650,452</u>	<u>13,268,194</u>
Total assets	<u>5,129,161</u>	<u>8,859,142</u>	<u>13,988,303</u>
DEFERRED OUTFLOWS OF RESOURCES			
	-	-	-
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and other payables	1,026,958	86,355	1,113,313
Bonds payable	219,000	145,000	364,000
Capital leases payable	32,162	-	32,162
Accrued interest payable	<u>18,061</u>	<u>7,132</u>	<u>25,193</u>
Total current liabilities	<u>1,296,181</u>	<u>238,487</u>	<u>1,534,668</u>
Noncurrent liabilities:			
Compensated absences payable	38,075	-	38,075
Customers deposits payable	-	73,874	73,874
Bonds payable	1,232,412	2,807,473	4,039,885
Capital leases payable	<u>181,465</u>	<u>-</u>	<u>181,465</u>
Total noncurrent liabilities	<u>1,451,952</u>	<u>2,881,347</u>	<u>4,333,299</u>
Total liabilities	<u>2,748,133</u>	<u>3,119,834</u>	<u>5,867,967</u>
DEFERRED INFLOWS OF RESOURCES			
	-	-	-
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	2,926,374	5,636,371	8,562,745
Restricted	8,268	54,476	62,744
Unrestricted	<u>(553,614)</u>	<u>48,461</u>	<u>(505,153)</u>
	<u>\$ 2,381,028</u>	<u>\$ 5,739,308</u>	<u>\$ 8,120,336</u>

The accompanying notes are an integral part of these financial statements.

CITY OF OAKDALE, LOUISIANA  
Statement of Activities  
Year Ended June 30, 2012

Activities	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 982,801	\$ 209,939	\$ -	\$ 103,560	\$ (669,302)	\$ -	\$ (669,302)
Public safety:							
Police	1,291,547	93,306		58,048	(1,068,193)		(1,068,193)
Fire	423,464		8,250		(415,214)		(415,214)
Health and recreation	257,708				(257,708)		(257,708)
Public works	522,504				(522,504)		(522,504)
Interest on long-term debt	59,860				(59,860)		(59,860)
Total Governmental Activities	3,537,884	303,245	80,250	161,608	(2,992,781)		(2,992,781)
Business-Type activities:							
Water	435,459	799,999				364,540	364,540
Sewer	525,157	678,533				153,376	153,376
Interest on long-term debt - sewer	31,597					(31,597)	(31,597)
Total Business-Type Activities	992,213	1,478,532				486,319	486,319
Totals	\$ 4,530,097	\$ 1,781,777	\$ 80,250	\$ 161,608	\$ (2,992,781)	\$ 486,319	\$ (2,506,462)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					130,273		130,273
Property taxes levied for fire protection					103,996		103,996
Property taxes, levied for sewer bonds					84,332		84,332
Sales and use taxes, levied for general purposes					1,153,505		1,153,505
Other taxes					42,440		42,440
Payment in lieu of taxes					20,150		20,150
Franchise					294,594		294,594
Grants and contributions not restricted to specific programs -							
State sources					9,450		9,450
Local sources					175,230		175,230
Miscellaneous					144,015	47	144,062
Transfers					326,749	(326,749)	-
Total general revenues and transfers					2,484,734	(326,702)	2,158,032
Change in net position					(508,047)	159,617	(348,430)
Net position - beginning					3,063,676	4,647,615	7,711,291
Prior period adjustment - Note L					(174,601)	932,076	757,475
Net position - beginning as restated					2,889,075	5,579,691	8,468,766
Net position - ending					2,381,028	5,739,308	8,120,336

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS (FFS)

## MAJOR FUND DESCRIPTIONS

### General Fund

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

### Special Revenue Funds

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

#### Sales Tax Fund

To account for the receipt and expenditure of proceeds of the City's restricted sales and use taxes.

#### Gaming Revenue Fund

To account for the receipt and expenditure of funds in accordance with the compact agreement with the Coushatta Tribe of Louisiana.

#### Fire Department Fund

To account for the receipt and expenditure of funds utilized in the operations of the Fire Department. Funding is primarily provided by an ad valorem tax and operating transfers from the General and Sales Tax Funds.

### Debt Service Fund

To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

### Proprietary Fund

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

CITY OF OAKDALE, LOUISIANA  
Balance Sheet  
Governmental Funds  
June 30, 2013  
With Comparative Totals for June 30, 2012

	<u>General Fund</u>	<u>Sales Tax Special Revenue</u>	<u>Gaming Special Revenue</u>
<b>ASSETS</b>			
Cash and interest-bearing deposits	\$ 42,427	\$ 163	\$ 602
Receivables	161,054	191,793	44,419
Prepaid expenditures	38,346	-	-
Due from other funds	-	-	-
Restricted assets – cash and investments	-	-	-
Total assets	<u>241,827</u>	<u>191,956</u>	<u>45,021</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
	-	-	-
Total assets and deferred outflows of resources	<u>\$ 241,827</u>	<u>\$ 191,956</u>	<u>\$ 45,021</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 492,464	\$ -	\$ -
Other accrued liabilities	500,424	-	-
Due to other funds	-	-	-
Total liabilities	<u>992,888</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
	-	-	-
<b>Fund balances:</b>			
Unassigned	(751,061)	-	-
Assigned	-	191,956	45,021
Restricted	-	-	-
Total fund balances	<u>(751,061)</u>	<u>191,956</u>	<u>45,021</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 241,827</u>	<u>\$ 191,956</u>	<u>\$ 45,021</u>

The accompanying notes are an integral part of these financial statements.

Fire Dept. Special Revenue	Debt Service	Totals 2013	Totals 2012
\$ 460	\$ -	\$ 43,652	\$ 39,704
32,155	-	429,421	282,158
-	-	38,346	16,534
-	-	-	349,816
-	8,268	8,268	136,345
<u>32,615</u>	<u>8,268</u>	<u>519,687</u>	<u>824,557</u>
-	-	-	-
<u>\$ 32,615</u>	<u>\$ 8,268</u>	<u>\$ 519,687</u>	<u>\$ 824,557</u>
\$ 34,070	\$ -	\$ 526,534	201,910
-	-	500,424	300,390
-	-	-	7,913
<u>34,070</u>	<u>-</u>	<u>1,026,958</u>	<u>510,213</u>
-	-	-	-
(1,455)	-	(752,516)	16,534
-	-	236,977	161,465
-	8,268	8,268	136,345
<u>(1,455)</u>	<u>8,268</u>	<u>(507,271)</u>	<u>314,344</u>
<u>\$ 32,615</u>	<u>\$ 8,268</u>	<u>\$ 519,687</u>	<u>\$ 824,557</u>

CITY OF OAKDALE, LOUISIANA  
 Reconciliation of Balance Sheet – Governmental Funds  
 to Statement of Net Position  
 June 30, 2013

Total fund balance for governmental funds at June 30, 2013:		\$ (507,271)
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 532,583	
Buildings, net of \$4,018,543 accumulated depreciation	2,140,734	
Equipment, furniture and fixtures net of \$1,006,123 accumulated depreciation	363,353	
Vehicles, net of \$898,179 accumulated depreciation	155,369	
Improvements other than buildings, net of \$219,701 accumulated depreciation	247,658	
Infrastructure, net of \$330,070 accumulated depreciation	<u>1,169,777</u>	4,609,474
Long-term liabilities at June 30, 2013:		
Compensated absences	(38,075)	
Accrued interest payable	(18,061)	
Bonds payable	(1,451,412)	
Capital leases payable	<u>(213,627)</u>	(1,721,175)
Total net position of governmental activities at June 30, 2013		<u>\$ 2,381,028</u>

The accompanying notes are an integral part of these financial statements.

CITY OF OAKDALE, LOUISIANA  
Statement of Revenues, Expenditures  
and Changes in Fund Balances –  
Governmental Funds  
Year Ended June 30, 2013  
With Comparative Totals for June 30, 2012

	<u>General</u>	<u>Sales Tax Special Revenue</u>	<u>Gaming Special Revenue</u>
<b>Revenues:</b>			
Taxes	\$ 435,153	\$ 1,153,505	\$ -
Licenses and permits	209,939	-	-
Intergovernmental	263,208	-	-
Fines and forfeitures	93,306	-	-
Miscellaneous	143,374	7	-
Gaming	-	-	175,230
<b>Total revenues</b>	<u>1,144,980</u>	<u>1,153,512</u>	<u>175,230</u>
<b>Expenditures:</b>			
Current -			
General government	869,444	25,728	-
Public safety	1,303,231	-	150
Health and recreation	210,057	-	-
Public works	462,580	-	-
Capital outlay	216,270	-	-
Debt service -			
Principal retirement	3,765	-	-
Interest and fiscal charges	645	-	-
Grant expenditures	-	-	-
<b>Total expenditures</b>	<u>3,065,992</u>	<u>25,728</u>	<u>150</u>
<b>Excess (deficiency) of revenues     Over (under) expenditures</b>	<u>(1,921,012)</u>	<u>1,127,784</u>	<u>175,080</u>
<b>Other financing sources (uses):</b>			
Grant revenue	-	-	-
Capital lease proceeds	84,086	-	-
Operating transfers	1,317,790	(1,118,469)	(176,928)
<b>Total other financing     Sources (uses)</b>	<u>1,401,876</u>	<u>(1,118,469)</u>	<u>(176,928)</u>
<b>Net changes in fund balance</b>	(519,136)	9,315	(1,848)
Fund Balances, Beginning	16,534	84,428	46,869
Prior period adjustment – Note L	(248,459)	98,213	-
Fund balances, beginning, as restated	<u>(231,925)</u>	<u>182,641</u>	<u>46,869</u>
Fund Balances, ending	<u>\$ (751,061)</u>	<u>\$ 191,956</u>	<u>\$ 45,021</u>

The accompanying notes are an integral part of these financial statements.



Fire Dept. Special Revenue	Debt Service	2013	2012
\$ 136,150	\$ 84,332	\$ 1,809,140	\$ 1,740,271
-	-	209,939	199,287
8,250	-	271,458	29,639
-	-	93,306	56,686
-	634	144,015	477,418
-	-	175,230	-
<u>144,400</u>	<u>84,966</u>	<u>2,703,088</u>	<u>2,503,301</u>
-	-	895,172	851,536
322,502	-	1,625,883	1,377,057
-	-	210,057	186,906
-	-	462,580	538,975
204,955	-	421,225	-
8,934	210,000	222,699	201,000
2,774	56,443	59,862	83,815
-	-	-	6,797
<u>539,165</u>	<u>266,443</u>	<u>3,897,478</u>	<u>3,246,086</u>
<u>(394,765)</u>	<u>(181,477)</u>	<u>(1,194,390)</u>	<u>(742,785)</u>
-	-	-	2,992
142,241	-	226,327	-
<u>250,956</u>	<u>53,400</u>	<u>326,749</u>	<u>706,049</u>
<u>393,197</u>	<u>53,400</u>	<u>553,076</u>	<u>709,041</u>
(1,568)	(128,077)	(641,314)	(33,744)
30,168	136,345	314,344	348,088
<u>(30,055)</u>	-	<u>(180,301)</u>	-
113	136,345	134,043	348,088
<u>\$ (1,455)</u>	<u>\$ 8,268</u>	<u>\$ (507,271)</u>	<u>\$ 314,344</u>

CITY OF OAKDALE, LOUISIANA  
 Reconciliation of Statement of Revenues, Expenditures and Changes  
 in Fund Balances - Governmental Funds to Statement of Activities  
 Year Ended June 30, 2013

Total net changes in fund balances at June 30, 2013 per statement of revenues, expenditures and changes in fund balances		\$ (641,314)
The change in net position reported for governmental activities in the statement of activities is different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlays which are considered expenditures on statement of revenues, expenditures and changes in fund balances	\$ 421,225	
Basis in assets disposed	(9,958)	
Depreciation expense for the year ended June 30, 2013	<u>(271,578)</u>	139,689
<p>Governmental funds report capital lease proceeds as revenues. However, this revenue does not appear in the statement of activities since the debt is reported on the statement of net assets</p>		
		(226,327)
<p>Governmental funds report bond repayments and capital lease principal payments as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the liability on the statement of net position</p>		
		222,699
<p>Governmental funds do not report compensated absences as expenditures. However, this payable does appear in the statement of net position and the expense is reported on the statement of activities</p>		
		(2,796)
<p>Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis</p>		
		<u>2</u>
Total changes in net position at June 30, 2013 per statement of activities		<u>\$ (508,047)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF OAKDALE, LOUISIANA  
Statement of Net Position  
Proprietary Fund  
June 30, 2013  
With Comparative Totals for June 30, 2012

	Business - Type Activities Enterprise Fund	
	2012	2013
<b>ASSETS</b>		
Current assets:		
Cash and interest-bearing deposits	\$ 16,932	\$ 6,582
Receivables	304,971	202,108
Grants receivable	127,200	-
Total current assets	<u>449,103</u>	<u>208,690</u>
Noncurrent assets:		
Restricted assets:		
Customers' deposit accounts	47,545	47,856
Sewer plant replacement accounts	53,613	6,620
Total restricted assets	<u>101,158</u>	<u>54,476</u>
Land	70,543	70,543
Capital assets, net	8,584,892	8,525,433
Total capital assets	<u>8,655,435</u>	<u>8,595,976</u>
Total assets	<u>\$9,205,696</u>	<u>\$ 8,859,142</u>
DEFERRED OUTFLOW OF RESOURCES	-	-
<b>LIABILITIES</b>		
Current liabilities:		
Accounts and other payables	\$ 179,401	\$ 86,355
Accrued interest payable	-	7,132
Sewer revenue bonds payable	143,000	145,000
Due to other funds	341,903	-
Total current liabilities	<u>664,304</u>	<u>238,487</u>
Noncurrent liabilities:		
Customers deposits payable	72,318	73,874
Sewer revenue bonds payable	3,821,459	2,807,473
Total noncurrent liabilities	<u>3,893,777</u>	<u>2,881,347</u>
Total liabilities	<u>4,558,081</u>	<u>3,119,834</u>
DEFERRED INFLOW OF RESOURCES	-	-
<b>NET POSITION</b>		
Contributed capital	2,509,421	-
Unrestricted	-	48,461
Restricted for sewer plant replacement	53,613	54,476
Invested in capital assets, net of related debt	<u>2,084,581</u>	<u>5,636,371</u>
Total net position	<u>\$ 4,647,615</u>	<u>\$ 5,739,308</u>

The accompanying notes are an integral part of these financial statements.

CITY OF OAKDALE, LOUISIANA  
Proprietary Fund  
Statement of Revenues, Expenses, and Changes in Net Position  
Years Ended June 30, 2012 and 2013

	<u>2012</u>	<u>2013</u>
Operating revenues:		
Utility sales - net	\$ 1,368,490	\$ 1,419,990
Service and miscellaneous charges	<u>36,438</u>	<u>36,840</u>
Total operating revenues	<u>1,404,928</u>	<u>1,456,830</u>
Operating expenses:		
Salaries	80,290	101,862
Fringe benefits	59,904	66,829
Supplies	85,956	126,662
Repairs and maintenance	74,839	21,457
Auto and truck expenses	12,801	41,526
Utilities	268,896	330,138
Insurance	50,063	20,624
Other	17,121	12,391
Depreciation	<u>212,256</u>	<u>239,127</u>
Total operating expenses	<u>862,126</u>	<u>960,616</u>
Operating income	<u>542,802</u>	<u>496,214</u>
Nonoperating revenues (expenses):		
Intergovernmental	329,809	-
Interest income	177	47
Bad debt recovery	-	21,702
Interest expense	<u>-</u>	<u>(31,597)</u>
Total nonoperating revenues (expenses)	<u>329,986</u>	<u>(9,848)</u>
Income before operating transfers	872,788	486,366
Other financing sources (uses)		
Operating transfer	<u>(706,049)</u>	<u>(326,749)</u>
Change in net position	166,739	159,617
Net position - beginning	4,480,876	4,647,615
Prior period adjustment - Note L	-	932,076
Net position - beginning as restated	<u>4,480,876</u>	<u>5,579,691</u>
Net position - ending	<u>\$ 4,647,615</u>	<u>\$ 5,739,308</u>

The accompanying notes are an integral part of these financial statements.

CITY OF OAKDALE, LOUISIANA  
Statement of Cash Flows -  
Proprietary Fund  
For the Years Ended June 30, 2012 and 2013

	Business-Type Activities Enterprise Fund	
	2012	2013
Cash flows from operating activities:		
Receipts from customers	\$ 1,924,026	\$ 1,519,557
Payments to suppliers	(1,114,611)	(667,090)
Payments to employees	-	(168,691)
Net cash from operating activities	809,415	683,776
Cash flows from noncapital financing activities:		
Operating transfers	(706,049)	(668,653)
Net cash used by noncapital financing activities	(706,049)	(668,653)
Cash flows from capital and related financing activities:		
Acquisition of property, plant and equipment	(1,359,212)	(181,541)
Interest paid on sewer revenue bonds	-	(27,577)
Principal paid on sewer revenue bonds	-	(143,000)
Proceeds from grants	329,813	127,200
Proceeds from sewer revenue bonds	935,317	131,014
Bad debt (expense) recovery	-	21,702
Net cash used by capital and related financing activities	(94,082)	(72,202)
Cash flows from investing activities:		
Net proceeds (purchase) of investments	(29)	53,613
Interest on investments	176	47
Net cash used by investing activities	147	53,660
 Net increase (decrease) in cash and cash equivalents	 9,431	 (3,419)
Cash and cash equivalents, beginning of period	55,046	64,477
Cash and cash equivalents, end of period	\$ 64,477	\$ 61,058

The accompanying notes are an integral part of these financial statements.

CITY OF OAKDALE, LOUISIANA  
Statement of Cash Flows -  
Proprietary Funds  
For the Years Ended June 30, 2012 and 2013

	Business-type Activities Enterprise Fund	
	2012	2013
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 542,802	\$ 496,214
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	212,256	239,127
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	1,652	61,170
(Increase) decrease in other receivables	490,417	-
Increase (decrease) in accounts payable	(445,145)	(116,165)
Increase (decrease) in other payables	6,467	-
Increase (decrease) in customer deposits payable	966	1,556
Basis in assets disposed	-	1,874
Net cash provided (used) by operating activities	\$ 809,415	\$ 683,776
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period –		
Cash and interest-bearing deposits – restricted	\$ 55,046	\$ 64,477
Total cash and cash equivalents	55,046	64,477
Cash and cash equivalents, end of period –		
Cash and interest-bearing deposits – restricted	64,477	61,058
Total cash and cash equivalents	64,477	61,058
Net increase (decrease)	\$ 9,431	\$ (3,419)

The accompanying notes are an integral part of these financial statements.

CITY OF OAKDALE, LOUISIANA  
Notes to Basic Financial Statements  
June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Oakdale, Louisiana (City), was created under the provisions of the Lawrason Act. The purpose of the City is to provide services to its citizens, which include sewer and water utilities, police and fire protection and other services. The City is governed by the Mayor and a board of five elected council members who are compensated. The City is located in Allen Parish, Louisiana and its population is approximately 7,800. There are approximately 70 employees working for the City.

The accompanying financial statements of the City have been prepared in conformity with governmental accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1986 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

1. Reporting Entity

As the municipal governing authority for reporting purposes, the City is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the City 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:

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's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Oakdale, Louisiana (the primary government) and its component units. By applying the above requirements, the City has no component units.

2. Basis of Presentation

The accompanying basic financial statements of the City have been prepared in conformity with GAAP. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", issued in June 1999.

CITY OF OAKDALE, LOUISIANA  
Notes to Basic Financial Statements  
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GASB 63 – “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position” is adopted for the fiscal year ended June 30, 2013. GASB Statement 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, Elements of Financial Statements introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial elements, which are distinct from assets and liabilities. Concepts Statement No. 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments,” and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

GASB 65 – “Items Previously Reported as Assets and Liabilities” is adopted for the fiscal year ended June 30, 2013. GASB Statement 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement amends the financial statement element classification of certain items previously reported as net assets and liabilities to be consistent with the definitions in Concepts Statement No. 4. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

#### Government-Wide Financial Statements

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

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

#### Fund Financial Statements

The City uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain City functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the City are classified into two categories: governmental and proprietary. The emphasis of fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or if the total assets, liabilities, revenues, or expenditures of the individual governmental or proprietary fund is at least 10 percent of the corresponding total for all governmental and proprietary funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined.

The City reports the following major funds:

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



CITY OF OAKDALE, LOUISIANA  
Notes to Basic Financial Statements  
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The Sales Tax Fund is used to account for the receipt and expenditure of proceeds of the City's restricted sales and use taxes.

The Gaming Revenue Fund is used to account for the receipt and expenditure of funds in accordance with the compact agreement with the Coushatta Tribe of Louisiana.

The Fire Department Fund is used to account for the receipt and expenditure of funds utilized in the operations of the Fire Department. Funding is primarily provided by an ad valorem tax and operating transfers from the General and Sales Tax Funds.

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

### 3. Measurement Focus/Basis of Accounting

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

#### Measurement Focus

On the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

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

#### Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital

CITY OF OAKDALE, LOUISIANA  
Notes to Basic Financial Statements  
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outlays) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. The City applies all applicable FASB pronouncements in accounting and reporting for its proprietary fund.

#### Allocation of Indirect Expenses

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

#### 4. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue, and proprietary funds. All annual appropriations lapse at fiscal year end.

Prior to the beginning of each fiscal year, the Mayor submits a budget to the City Council. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The City Council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated and the revenue estimates must be changed by an affirmative vote of a majority of the government's council.

Expenditures may not legally exceed budgeted appropriations at the activity level.

The original budget and one amendment during the year are reflected in the budget comparisons.

#### 5. Deposits

Deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits as well as those investments with a maturity date of 90 days or less.

State statutes authorize the City to invest in obligations of the U.S. Treasury, U.S. government agencies, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana, as stipulated in R.S. 39:1271, or any other federally insured investment. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana. LAMP generates a local government investment pool.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2013, the City has \$138,429 in deposits (collected bank balances). These deposits are all secured from risk by federal deposit insurance.

CITY OF OAKDALE, LOUISIANA  
Notes to Basic Financial Statements  
June 30, 2013

6. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet.

7. Accounts Receivable

Uncollectible amounts due for ad valorem taxes and other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

There appears to be concentration of credit risk with regard to general accounts receivable and more specifically accounts receivable for gas, water and sewer user fees in the enterprise funds. The City's ability to collect the amounts due from the users of the City gas, water and sewer system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disaster or other calamity in this one concentrated geographic location.

8. 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 capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$1,000 or more for capitalization of asset purchases.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by asset type is as follows:

Buildings	40 years
Equipment and furniture	3-20 years
Utility system and improvements	20-50 years
Vehicles	5 years
Infrastructure	20-50 years

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

9. Statement of Cash Flows

For the purpose of the statement of cash flows, for the enterprise funds, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. The statement reflects ending cash and cash equivalents of \$61,058 which represents unrestricted and restricted amounts of \$6,582 and \$54,476, respectively.

10. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as long-term liabilities. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is

CITY OF OAKDALE, LOUISIANA  
Notes to Basic Financial Statements  
June 30, 2013

recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits for police personnel that is estimated will be taken as "terminal leave" prior to retirement.

The City has the following policy relating to vacation and sick leave:

Sick leave and vacation are authorized on January 1 of each year with no unused amounts to be carried forward from previous years. Employees of the City receive 40 hours to 200 hours vacation leave each year, depending on their length of service. Sick leave is earned at the same rate as vacation leave. Upon termination, the employee is entitled to any unused vacation leave.

At June 30, 2013, employees of the City have accumulated \$30,875 in leave privileges, computed in accordance with GASB Statement No. 16.

11. Long-Term Debt

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

All long-term debts to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds and capital lease payables.

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

12. Equity Classification

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Committed net position - Consists of net position with constraints placed on the use by the governing body.
- d. Unrestricted net position - Consists of all other net position that do not meet the definition of a, b, or c above.

In the fund statements, governmental fund equity is classified as fund balance and is further classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulation of other governments.
- c. Committed – amounts that can be used for specific purposes determined by a formal action of the Mayor and Council. They are the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Mayor and Council.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Council's adopted policy, only Council members may assign amounts for specific purposes.
- e. Unassigned – includes fund balances which have not been classified within the above categories.

13. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

14. Sales Taxes

Proceeds of a 1% sales and use tax levied by the City are dedicated to constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal works, waterworks, facilities, streets, alleys, bridges, drains and drainage facilities; public buildings, purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, buildings, improvements and facilities; title to which shall be in the public, or for an one or more said purposes; and for the purpose of paying principal and interest on any bonded or funded indebtedness of the City incurred for any of said purposes.

Proceeds of the three-tenths of one percent sales and use tax levied by the City are dedicated to improving, maintaining, and operating the police and fire departments of the City, and for the purpose of paying the costs of the acquisition of equipment for the department of public works.

15. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

16. Revenues, Expenditures, and Expenses

Program Revenues

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

CITY OF OAKDALE, LOUISIANA  
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Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent after December 31. The taxes are generally collected in December, January and February of the fiscal year. Sales taxes are considered as "measurable" when in the hands of sales tax collector and are recognized as revenue at that time. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures/expenses

The City's primary expenditures include salaries and insurance, which are recorded when the liabilities are incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfers are authorized by the City.

17. Environmental Remediation Costs

The City accrues for losses associated with environmental remediation obligations when such losses are probable and reasonably estimable. Accruals for estimated losses from environmental remediation obligations generally are recognized no later than completion of the remedial feasibility study. Such accruals are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted to their present value.

18. Subsequent Events

Management has evaluated subsequent events through December 19, 2013, the date the financial statements were issued.

19. Use of restricted resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the City's policy is to first apply the expenditures toward restricted fund balance and then to other, less-restrictive classifications (committed and then assigned fund balances) before using unassigned fund balances.

NOTE B - PROPERTY TAXES

For the year ended June 30, 2013 taxes of 16.90 mills were levied on property with assessed valuations totaling \$18,592,640 and were dedicated as follows:

General corporate purposes	6.75 mills with no expiration
Fire protection purposes	5.52 which expires in 2016
Sewer district purposes	2.86 which expires in 2021
Sewer district purposes	1.77 which expires in 2021
Street purposes	0.00 which expires in 2017

Total taxes levied were \$314,227.

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st. Property taxes not paid by the end of February are subject to lien.

CITY OF OAKDALE, LOUISIANA  
Notes to Basic Financial Statements  
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NOTE C - RECEIVABLES

Receivables at June 30, 2013, consisted of the following:

General Fund:		
Accrued franchise taxes receivable	\$ 89,364	
Other receivables	48,882	
Taxes receivable	22,808	
Utility system enterprise fund:		
Accounts receivable - customers	202,108	
Special revenue funds:		
Sales tax receivable	191,793	
Fire insurance tax receivable	32,155	
Gaming revenue receivable	<u>44,419</u>	
Total		<u>\$ 631,529</u>

Note D - CAPITAL ASSETS

	Balance 07/02/12	Additions	Deletions	Balance 06/30/13
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 532,583	\$ -	\$ -	\$ 532,583
Other capital assets:				
Buildings	6,159,277	-	-	6,159,277
Vehicles	1,395,889	90,939	433,280	1,053,548
Equipment, furniture and fixtures	1,408,052	234,187	272,763	1,369,476
Improvements other than buildings	386,036	96,099	14,776	467,359
Infrastructure	<u>1,499,847</u>	<u>-</u>	<u>-</u>	<u>1,499,847</u>
Totals	<u>11,381,684</u>	<u>421,225</u>	<u>720,819</u>	<u>11,082,090</u>
Less accumulated depreciation:				
Buildings	3,897,781	120,762	-	4,018,543
Vehicles	1,290,714	40,746	433,280	898,179
Equipment, furniture and fixtures	1,221,613	55,811	271,301	1,006,123
Improvements other than buildings	210,167	15,814	6,280	219,701
Infrastructure	<u>291,624</u>	<u>38,446</u>	<u>-</u>	<u>330,070</u>
Total accumulated depreciation	<u>6,911,899</u>	<u>271,578</u>	<u>710,861</u>	<u>6,472,616</u>
Governmental Activities Capital assets, net	<u>\$ 4,469,785</u>	<u>\$ 149,647</u>	<u>\$ 9,958</u>	<u>\$ 4,609,474</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated				
Land	\$ 70,543	\$ -	\$ -	\$ 70,543
Construction in progress	4,091,416	181,541	4,272,957	-
Other capital assets:				
Water system	4,324,071	-	139,414	4,184,657
Sewer system	8,134,790	4,272,957	130,740	12,277,007
Machinery and equipment	<u>80,955</u>	<u>-</u>	<u>7,286</u>	<u>73,669</u>
Totals	<u>16,701,775</u>	<u>4,454,498</u>	<u>4,550,397</u>	<u>16,605,876</u>
Less accumulated depreciation:				
Water system	1,868,173	103,289	137,541	1,833,921
Sewer system	6,097,212	135,838	130,740	6,102,310
Machinery and equipment	<u>80,955</u>	<u>-</u>	<u>7,286</u>	<u>73,669</u>
Total accumulated depreciation	<u>8,046,340</u>	<u>239,127</u>	<u>275,567</u>	<u>8,009,900</u>
Business-type activities, Capital assets, net	<u>\$ 8,655,435</u>	<u>\$ 4,215,371</u>	<u>\$ 4,274,830</u>	<u>\$ 8,595,976</u>

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Depreciation expense for the year ended June 30, 2013 was \$271,578 and \$239,127 for the governmental activities and the business-type activities, respectively.

Depreciation expense was charged to governmental activities as follows:

General government	\$ 77,671
Police	56,370
Fire	29,962
Public Works	59,924
Health and recreation	<u>47,651</u>
Total depreciation expense	<u>\$ 271,578</u>

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

Water	\$ 103,289
Sewer	<u>135,838</u>
Total depreciation expense	<u>\$ 239,127</u>

**NOTE E - ACCOUNTS PAYABLES**

The following is a summary of payables at June 30, 2013:

<u>Class of Payable:</u>	<u>Governmental Activities Funds</u>	<u>Business Activities Funds</u>
Accounts	<u>\$ 526,534</u>	<u>\$ 86,355</u>

**NOTE F - PENSION PLANS**

Police officers of the City are eligible to participate in the Municipal Police Employees Retirement System of Louisiana. This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows:

Municipal Police Employees Retirement System of Louisiana (MPERS System)

*Plan Description.* All full-time police department employees engaged in law enforcement are required to participate in the System (an Internal Revenue Code 401(a) system). Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

*Funding Policy.* Plan members are required by state statute to contribute 10% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The required rate is 31% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by La. R.S. 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 contributions to the System for the years ending June 30, 2013, 2012, and 2011 were \$152,504, \$122,731, and \$106,929, respectively. These amounts are equal to the required contributions for each year.



CITY OF OAKDALE, LOUISIANA  
Notes to Basic Financial Statements  
June 30, 2013

NOTE F - PENSION PLANS (Continued)

Municipal Employees Retirement System of Louisiana (MERS System)

*Plan Description.* The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefits provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipality funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service or at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Oak Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The required rate is 17% of annual covered payroll. Contributions to the System also include one-fourth of 1% of the taxes shown to be collectible by the tax rolls of the parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by La. R.S. 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 contributions to the System for the years ending June 30, 2013, 2012, and 2011 were \$136,012, \$120,815, and \$103,313, respectively. These amounts are equal to the required contributions for each year.

NOTE G - LONG-TERM DEBT

The following is a summary of bonds, certificates of indebtedness, and other long-term debts owed by the City for the year ended June 30, 2013:

	June 30, 2012			June 30, 2013
	<u>As Restated</u>	<u>Additions</u>	<u>Deletions</u>	
Sewer revenue bond	\$ 2,964,459	\$ 131,014	\$ (143,000)	\$ 2,952,473
Revolving loan	896,412	-	(85,000)	811,412
General obligation bonds	400,000	-	(60,000)	340,000
Certificates of indebtedness	365,000	-	(65,000)	300,000
Capital lease obligations	-	226,327	(12,700)	213,627
Accrued leave benefits	35,279	2,796	-	38,075
	<u>\$ 4,661,150</u>	<u>\$ 360,137</u>	<u>\$ (365,700)</u>	<u>\$ 4,655,587</u>

CITY OF OAKDALE, LOUISIANA  
Notes to Basic Financial Statements  
June 30, 2013

NOTE G – LONG TERM DEBT (Continued)

Sewer Revenue Bonds Payable-Proprietary:

Sewer revenue bond, Series 2009 dated 09/03/09, original issue not to Exceed \$2,500,000, amended as Series 2010 not to exceed \$3,146,000, bearing interest at .95% per annum, and shall mature over a period not to exceed 22 years. This bond is secured by and payable from income and revenues derived by the utility operating system after paying reasonable and necessary expenses of operation. \$ 2,952,473

Subtotal - Proprietary 2,952,473

Revolving Loan-Governmental:

Revolving loan payable to the Louisiana Department of Environmental Quality (LDEQ) dated November 1, 1999. Payment terms require interest only from inception through February 1, 2002 at a rate of 3.45% plus an annual administrative fee of one-half of one percent (.5%) of the outstanding principal balance of the loan. The loan is secured by a borrower bond issued to the Louisiana Department of Health and Hospitals in the amount of \$1,500,000. The bond is secured by a pledge of the City's 1% sale tax. 811,412

General Obligation Bond-Governmental:

General obligation bond, Series 2003, dated 07/01/03, original issue of \$800,000, retired semiannually on March 1 and September 1 in various installment amounts, interest rate not to exceed 6% per annum, final maturity 3/1/18. 340,000

Certificates of Indebtedness Payable-Governmental:

Certificate of indebtedness, Series 2002 dated 10/01/02, original issue of \$850,000, retired semiannually on May 1 and November 1 in various installment amounts, interest rate at 3.15% to 3.45% per annum, final maturity on 05/01/17. 300,000

Capital Lease Obligations Payable-Governmental:

Capital lease payable, dated 04/10/13, original issue of \$29,576 retired monthly in installments of \$562 with interest at 5.499%, final maturity on 03/10/18, secured by a police truck. 26,847

Capital leases payable, dated 06/12/13, original issue of \$54,510 (2 at \$27,255) retired monthly in installments of \$1,036 (2 at \$518) with interest at 5.499%, final maturity on 05/12/18, secured by two police vehicles. 53,472

Capital lease payable, dated 10/8/12, original issue of \$142,241 retired semiannually on April 8 and October 8 retired in installments of \$11,708 with interest at 3.9%, final maturity on 10/8/19, secured by firefighting equipment. 133,308

Accrued Leave Benefits Payable 38,075

Total \$ 4,655,587

The annual requirements to amortize all debt outstanding as of June 30, 2013, including interest payments of \$640,041 are as follows:

CITY OF OAKDALE, LOUISIANA  
Notes to Basic Financial Statements  
June 30, 2013

Year Ending June 30,	Governmental Activities		Enterprise Activities	
	Totals		Totals	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments
2014	\$ 251,162	\$ 59,029	\$ 145,000	\$ 34,378
2015	265,042	51,234	146,000	39,650
2016	276,693	42,416	147,000	37,526
2017	288,424	32,633	150,000	35,372
2018	216,509	22,085	151,000	33,190
2019-2023	367,209	27,879	774,000	132,593
2024-2028	-	-	812,000	75,115
2029-2032	-	-	627,473	16,941
Totals	<u>\$ 1,665,039</u>	<u>\$ 235,276</u>	<u>\$ 2,952,473</u>	<u>\$ 404,765</u>

In accordance with La. R.S. 39:562, the City is legally restricted from incurring long-term bonded debt (payable solely from ad valorem taxes) in excess of 35% of the assessed value of taxable property in the City. At June 30, 2013 the statutory limit is \$6,507,424.

NOTE H – RESTRICTED ASSETS

Restricted assets, at June 30, 2013, consisted of the following:

	Cash and Cash Equivalents
Customers' deposit accounts	\$ 47,856
Debt service account	8,268
Sewer plant replacement accounts	<u>6,620</u>
	<u>\$ 62,744</u>

	Required	Over (Under)
Requirements consisted of the following at June 30, 2013:		
Sewer revenue bond sinking account	\$ 8,268	\$ 109,409 \$(101,141)
Sewer revenue bond reserve account	-	43,342 (43,342)
Sewer revenue bond depreciation and contingency account	6,620	13,690 (7,070)
Customer deposits – gas and water and sewer	<u>47,856</u>	<u>73,874</u> (26,018)
Total restricted assets - proprietary funds	<u>\$ 62,744</u>	<u>\$ 240,315</u> \$(177,471)

NOTE I - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

CITY OF OAKDALE, LOUISIANA  
Notes to Basic Financial Statements  
June 30, 2013

NOTE J - CONTINGENCIES

The City participates in a number of federal and state grant programs that are either partially or fully funded by grants received from other governmental units. Such grants are subject to audit by the grantor agencies which could result in requests for reimbursement to the granting agency for expenditures that are disallowed under the terms of the grant. Based on past experience, the City believes that any disallowed costs as a result of such audits will be immaterial.

NOTE K - TRIBAL STATE COMPACT COMPLIANCE

The operating transfers out of the gaming fund to the other funds were used entirely for reimbursement of police salaries of \$176,928.

NOTE L – PRIOR PERIOD ADJUSTMENTS

Proprietary fund – All financial statements:

The proprietary fund reported the following prior period adjustments – 1) The City's utility billing receivables were overstated on the prior year financial reports based on the accounting for inactive customers with receivable balances. These receivables less an allowance are valued at an amount less than previously calculated. 2) The City had performed all required criteria to be entitled to a Louisiana Community Development Block Grant (LCDBG) but the receivable was not reported on the balance sheet. 3) The City previously reported sewer revenue bonds payable, Series 2009, as a liability on the balance sheet that was actually forgiven at the time of disbursement on each disbursement by the Department of Environmental Quality. Therefore, no liability should have been reported. 4) Accrued interest payable on the normal \$3,146,000 sewer revenue bonds at June 30, 2012 was not reported as a business-type liability but was incorrectly reported as a governmental liability on the statement of net position. 5) The City underreported the amount due to its workers compensation insurance carrier on the balance sheet and the amount below represents the proprietary fund's portion of the understatement.

<u>Account</u>	<u>As Originally Reported</u>	<u>Prior Period Adjustment</u>	<u>As Restated</u>
Utility accounts receivable	\$ 304,971	\$ (93,894)	\$ 211,077
LCDBG receivable	-	52,201	52,201
Sewer revenue bonds payable (1,000,000)	(1,000,000)	1,000,000	-
Accrued interest payable	-	(3,112)	(3,112)
Other accrued liabilities	-	(23,119)	(23,119)
Total	<u>\$ (695,029)</u>	<u>\$ 932,076</u>	<u>\$ 237,047</u>

General fund – Fund financial statements (FFS):

The general fund reported the following prior period adjustments – 1) The City underreported accounts payable. 2) The City underreported the amounts due to its workers compensation insurance carrier and the municipal employees retirement system on the balance sheet.

<u>Account</u>	<u>As Originally Reported</u>	<u>Prior Period Adjustment</u>	<u>As Restated</u>
Accounts payable-FFS	\$ (201,910)	\$ (55,023)	\$ (256,933)
Other accrued liabilities-FFS	(300,390)	(193,436)	(493,826)
Total – FFS	<u>\$ (502,300)</u>	<u>\$ (248,459)</u>	<u>\$ (750,759)</u>

CITY OF OAKDALE, LOUISIANA  
Notes to Basic Financial Statements  
June 30, 2013

NOTE L – PRIOR PERIOD ADJUSTMENTS (Continued)

Fire department special revenue fund – FFS:

The City underreported the amount due to its workers compensation insurance carrier on the balance sheet and the amount below represents the fire department revenue special fund's portion of the understatement.

<u>Account</u>	<u>As Originally Reported</u>	<u>Prior Period Adjustment</u>	<u>As Restated</u>
Other accrued liabilities-FFS	\$ _____ -	\$ (30,055)	\$ (30,055)

Sales tax special revenue fund – fund financial statements:

The City only reported one month's sales tax receivable for the amount held by the Allen Parish School Board. A second month's receivable should have been reported representing the amount the City's vendors had collected from their customers on retail and other taxable sales that were actually payable to the Allen Parish School Board who in turn would remit those to the City.

<u>Account</u>	<u>As Originally Reported</u>	<u>Prior Period Adjustment</u>	<u>As Restated</u>
Receivables-FFS	\$ 90,254	\$ 98,213	\$ 188,467

Governmental activities on the government-wide financial statements (GWFS):

On the government-wide financial statements the same prior period adjustments were reported as noted in the fund financial statements as explained above. Also, the following prior period adjustments were reported on the government-wide financial statements: 1) Accrued interest payable on the normal \$3,146,000 sewer revenue bonds at June 30, 2012 was not reported as a business-type liability but was incorrectly reported as a governmental liability on the statement of net position. 2) The revolving loan payable to the Louisiana Department of Quality was overstated.

<u>Account</u>	<u>As Originally Reported</u>	<u>Prior Period Adjustment</u>	<u>As Restated</u>
Accounts and other payables	\$ (502,300)	\$ (278,514)	\$ (780,814)
Receivables	282,158	98,213	380,371
Totals per FFS		(180,301)	
Bonds payable non-current	(1,454,000)	2,588	(1,451,412)
Accrued interest payable	(21,175)	3,112	(18,063)
Total – GWFS	<u>\$(1,695,317)</u>	<u>\$ (174,601)</u>	<u>\$(1,869,918)</u>

NOTE M - ON-BEHALF PAYMENTS FOR SALARIES

The State of Louisiana pays a portion of the salaries of the City's police officers and fire fighters. These on-behalf payments have been recorded in the accompanying financial statements in accordance with GASB Statement 24 as intergovernmental revenues and expenditures as follows:

CITY OF OAKDALE, LOUISIANA  
Notes to Basic Financial Statements  
June 30, 2013

Intergovernmental Revenues:	
State-Police	\$ 72,000
State-Firefighters	<u>8,250</u>
Total	<u>\$ 80,250</u>
Expenditures:	
Salaries-Police	\$ 72,000
Salaries-Firefighters	<u>8,250</u>
Total	<u>\$ 80,250</u>

NOTE N – DEFICIT FUND BALANCE

As of June 30, 2013 the following individual funds had deficit fund balances in the amounts shown:

General Fund	\$ (751,061)
Fire Department Fund	<u>(1,455)</u>
Total	<u>\$ (752,516)</u>

The City anticipates approximately \$360,000 in additional water and sewer revenues as a result of a recent increase in water and sewer rates. These revenues are anticipated to be used to bring the fund balance deficits to positive balances in the future.

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF OAKDALE, LOUISIANA  
 General Fund  
 Budgetary Comparison Schedule  
 Year Ended June 30, 2013  
 With Comparative Actual Amounts for Year Ended June 30, 2012

	2013			Variance Favorable (Unfavorable)	2012 Actual
	Budget		Actual		
	Original	Final			
<b>REVENUES</b>					
Taxes:					
Ad valorem	\$ 122,100	\$ 115,931	\$ 130,273	\$ 14,342	\$ 125,223
Public utility franchise	320,000	295,000	294,595	(405)	294,041
Beer tax	11,313	10,700	10,285	(415)	10,767
Total taxes	<u>453,413</u>	<u>421,631</u>	<u>435,153</u>	<u>13,522</u>	<u>430,031</u>
Licenses and permits:					
Occupational licenses	195,000	224,499	192,804	(31,695)	185,087
Building permits	15,000	22,542	17,135	(5,407)	14,200
Total licenses and permits	<u>210,000</u>	<u>247,041</u>	<u>209,939</u>	<u>(37,102)</u>	<u>199,287</u>
Intergovernmental:					
Housing authority - in lieu of taxes	22,000	21,000	20,150	(850)	20,189
Federal grant	-	-	58,048	58,048	-
State of Louisiana - State grant	50,000	172,973	72,000	(100,973)	2,992
Street maintenance	9,450	9,450	9,450	-	9,450
Local	-	-	103,560	103,560	-
Total intergovernmental	<u>81,450</u>	<u>203,423</u>	<u>263,208</u>	<u>59,785</u>	<u>32,631</u>
Fines and forfeitures:					
Court fines	60,000	81,726	88,585	6,859	48,996
Penalties	7,700	4,720	4,721	1	7,690
Total fines and forfeitures	<u>67,700</u>	<u>86,446</u>	<u>93,306</u>	<u>6,860</u>	<u>56,686</u>
Miscellaneous:					
DMV Fees	19,300	20,976	20,976	-	19,420
Interest	5,500	660	148	(512)	4,539
Rental income	45,000	28,250	37,250	9,000	39,688
Miscellaneous	50,000	43,235	85,000	41,765	232,768
Total miscellaneous	<u>119,800</u>	<u>93,121</u>	<u>143,374</u>	<u>50,253</u>	<u>296,415</u>
Total revenues	<u>\$ 932,363</u>	<u>\$ 1,051,662</u>	<u>\$ 1,144,980</u>	<u>\$ 93,318</u>	<u>\$ 1,015,050</u>



CITY OF OAKDALE, LOUISIANA  
 General Fund - Continued  
 Budgetary Comparison Schedule  
 Year Ended June 30, 2013  
 With Comparative Actual Amounts for Year Ended June 30, 2012

	2013		Actual	Variance Favorable (Unfavorable)	2012 Actual
	Budget				
	Original	Final			
<b>EXPENDITURES</b>					
General government:					
Legislative -					
Salaries	\$ 31,200	\$ 32,652	\$ 33,053	\$ (401)	\$ 33,003
Employee health insurance	4,604	4,281	4,547	(266)	5,085
Payroll taxes	2,387	2,552	2,550	2	16,640
Travel and meetings	1,103	2,332	1,380	952	827
Total legislative	<u>39,294</u>	<u>41,817</u>	<u>41,530</u>	<u>287</u>	<u>55,555</u>
Judicial -					
Salaries	83,137	91,101	93,147	(2,046)	81,479
Retirement	27,694	28,009	12,823	15,186	11,414
Employee health insurance	-	-	13,640	(13,640)	16,367
Operating and maintenance	22,297	16,028	19,320	(3,292)	24,741
Payroll taxes	-	-	2,112	(2,112)	1,551
Total judicial	<u>133,128</u>	<u>135,138</u>	<u>141,042</u>	<u>(5,904)</u>	<u>135,552</u>
Executive -					
Salaries	34,757	33,868	34,429	(561)	34,995
Retirement	5,909	5,806	5,992	(186)	5,755
Payroll taxes	504	511	511	-	505
Travel	1,000	1,367	1,117	250	897
Total executive	<u>42,170</u>	<u>41,552</u>	<u>42,049</u>	<u>(497)</u>	<u>42,152</u>
Legal -					
Salaries	27,000	26,383	28,239	(1,856)	27,185
District attorney	18,000	18,000	18,000	-	18,000
Payroll taxes	2,066	2,066	2,065	1	2,356
Total legal	<u>47,066</u>	<u>46,449</u>	<u>48,304</u>	<u>(1,855)</u>	<u>47,541</u>
Financial administration -					
Salaries	190,000	185,755	199,132	(13,377)	206,849
Retirement	30,000	19,035	21,325	(2,290)	17,679
Employee health insurance	30,000	35,205	37,267	(2,062)	39,506
Payroll taxes	3,800	4,809	4,808	1	3,850
Penalties	-	-	-	-	9,164
Office and operating supplies	30,000	47,664	48,952	(1,288)	46,341
Repairs and maintenance	6,500	20,260	19,028	1,232	12,051
Professional services	89,500	73,662	88,262	(14,600)	77,963
Telephone	7,500	14,984	16,768	(1,784)	8,399
Travel and meetings	500	796	796	-	2,947
Printing and advertising	3,600	9,380	14,030	(4,650)	11,164
Utilities	18,700	14,777	16,091	(1,314)	18,700
Insurance	85,000	159,940	89,947	69,993	46,685
Miscellaneous	1,500	3,435	21,136	(17,701)	4,082
Rental Property	4,000	1,625	1,625	-	6,240

CITY OF OAKDALE, LOUISIANA  
 General Fund - Continued  
 Budgetary Comparison Schedule  
 Year Ended June 30, 2013  
 With Comparative Actual Amounts for Year Ended June 30, 2012

	2013		Actual	Variance Favorable (Unfavorable)	2012 Actual
	Budget				
	Original	Final			
Gas, oil, tires, and batteries	2,000	2,700	2,483	217	2,551
Tax assessor fees	6,400	6,160	6,160	-	6,200
LMA convention	2,000	2,000	1,201	799	5,559
Computer maintenance agreement	4,720	4,720	-	4,720	4,720
Damage expenses	2,000	5,498	5,538	(40)	8,539
Dues and subscriptions	2,500	1,832	1,970	(138)	3,133
Subtotal	520,220	614,237	596,519	17,718	542,322
Capital outlays	-	41,087	10,960	30,127	7,029
Total financial admin.	520,220	655,324	607,479	47,845	549,351
Total general government	781,878	920,280	880,404	39,876	830,151
Public Safety -					
Salaries	660,000	655,110	803,512	(148,402)	692,427
Retirement	114,000	126,439	156,405	(29,966)	122,731
Employee health insurance	55,000	69,363	72,372	(3,009)	57,676
Payroll taxes	15,000	25,954	30,920	(4,966)	18,272
Office and operating supplies	12,336	16,927	18,375	(1,448)	11,241
Repairs and maintenance	14,000	13,111	13,576	(465)	14,680
Telephone	14,000	12,514	13,713	(1,199)	14,373
Leased vehicles	19,389	22,611	17,450	5,161	23,267
Witness Fees	-	-	100	(100)	450
Utilities	15,000	20,688	22,310	(1,622)	20,250
Insurance	48,000	48,000	90,864	(42,864)	71,740
Uniform expense	5,000	4,290	4,290	-	5,608
Personnel training	5,000	6,249	6,249	-	4,069
Care of prisoners	6,000	1,853	1,853	-	2,475
Gas, oil, tires, and batteries	38,000	40,066	40,137	(71)	38,059
Miscellaneous	-	1,795	11,104	(9,309)	5,984
Subtotal	1,020,725	1,064,970	1,303,230	(238,260)	1,103,302
Capital outlays	-	-	84,089	(84,089)	-
Debt Service					
Principal retirement	-	-	3,766	(3,766)	-
Interest	-	-	645	(645)	-
Total public safety	1,020,725	1,064,970	1,391,730	(326,760)	1,103,302

CITY OF OAKDALE, LOUISIANA  
 General Fund - Continued  
 Budgetary Comparison Schedule  
 Year Ended June 30, 2013  
 With Comparative Actual Amounts for Year Ended June 30, 2012

	2013			Variance Favorable (Unfavorable)	2012 Actual
	Budget		Actual		
	Original	Final			
<b>Health and Recreation -</b>					
Salaries	52,998	92,957	94,702	(1,745)	86,330
Retirement	9,011	15,779	16,015	(236)	17,217
Employee health insurance	13,812	13,869	14,398	(529)	-
Payroll taxes	2,073	2,253	2,254	(1)	2,363
Office and operating supplies	2,500	2,504	2,570	(66)	3,192
Repairs and maintenance	18,590	9,719	10,997	(1,278)	14,742
Utilities	24,350	27,350	35,054	(7,704)	22,983
Insurance	13,000	13,000	11,668	1,332	20,152
Coroner	6,500	7,880	8,180	(300)	6,520
Gas, oil, tires, and batteries	13,247	5,687	5,512	175	4,859
Civic Center	2,500	5,056	5,779	(723)	5,493
Christmas lighting	1,500	1,092	1,092	-	1,746
Miscellaneous	1,500	6,381	1,836	4,545	1,309
Subtotal	<u>161,581</u>	<u>203,527</u>	<u>210,057</u>	<u>(6,530)</u>	<u>186,906</u>
Capital outlays	-	-	96,099	(96,099)	-
Total health and recreation	<u>161,581</u>	<u>203,527</u>	<u>306,156</u>	<u>(102,629)</u>	<u>186,906</u>
<b>Public Works -</b>					
Salaries	111,218	135,419	201,445	(66,026)	236,826
Retirement	18,907	28,629	34,206	(5,577)	29,875
Employee health insurance	18,416	15,511	17,098	(1,587)	30,412
Payroll taxes	2,063	2,480	3,634	(1,154)	4,236
Office and operating supplies	28,000	10,496	11,102	(606)	16,339
Repairs and maintenance	32,000	32,186	34,047	(1,861)	31,262
Utilities	88,000	97,798	106,394	(8,596)	115,000
Insurance	21,000	21,000	16,747	4,253	24,297
Miscellaneous	30,000	4,490	9,314	(4,824)	11,762
Gas, oil, tires, and batteries	30,000	31,535	28,593	2,942	37,943
Subtotal	<u>379,604</u>	<u>379,544</u>	<u>462,580</u>	<u>(83,036)</u>	<u>537,952</u>
Capital outlays	-	105,671	25,122	80,549	1,023
Total public works	<u>379,604</u>	<u>485,215</u>	<u>487,702</u>	<u>(2,487)</u>	<u>538,975</u>
Grant expenditures	-	172,973	-	172,973	6,797
Total expenditures	<u>\$ 2,343,788</u>	<u>\$ 2,846,965</u>	<u>\$ 3,065,992</u>	<u>\$ (219,027)</u>	<u>\$ 2,666,131</u>

CITY OF OAKDALE, LOUISIANA  
Special Revenue Fund  
Sales Tax Fund  
Budgetary Comparison Schedule  
Year Ended June 30, 2013  
With Comparative Actual Amounts for Year Ended June 30, 2012

	2013			Variance Favorable (Unfavorable)	2012 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes	\$ 1,079,000	\$ 1,139,135	\$ 1,153,505	\$ 14,370	\$ 1,090,640
Miscellaneous	30	30	7	(23)	17
<b>Total Revenues</b>	<u>1,079,030</u>	<u>1,139,165</u>	<u>1,153,512</u>	<u>14,347</u>	<u>1,090,657</u>
<b>Expenditures:</b>					
General government -					
Sales tax collection fees	21,600	22,336	25,728	(3,392)	21,385
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>21,600</u>	<u>22,336</u>	<u>25,728</u>	<u>(3,392)</u>	<u>21,385</u>
Excess of revenues over expenditures	<u>1,057,430</u>	<u>1,116,829</u>	<u>1,127,784</u>	<u>10,955</u>	<u>1,069,272</u>
<b>Other financing uses:</b>					
Operating transfers out	<u>(1,057,430)</u>	<u>(1,116,829)</u>	<u>(1,118,469)</u>	<u>(1,640)</u>	<u>(1,046,244)</u>
<b>Total other financing uses</b>	<u>(1,057,430)</u>	<u>(1,116,829)</u>	<u>(1,118,469)</u>	<u>(1,640)</u>	<u>(1,046,244)</u>
Excess (deficit) of revenues over (under) expenditures and other uses	-	-	9,315	9,315	23,028
Fund balance, beginning	84,428	84,428	84,428	-	61,400
Prior period adjustment - Note L	<u>98,213</u>	<u>98,213</u>	<u>98,213</u>	-	<u>98,213</u>
Fund balance, beginning as restated	<u>182,641</u>	<u>182,641</u>	<u>182,641</u>	-	<u>182,641</u>
Fund balance, ending	<u>\$ 182,641</u>	<u>\$ 182,641</u>	<u>\$ 191,956</u>	<u>\$ 9,315</u>	<u>\$ 84,428</u>

CITY OF OAKDALE, LOUISIANA  
Special Revenue Fund  
Gaming Revenue Fund  
Budgetary Comparison Schedule  
Year Ended June 30, 2013  
With Comparative Actual Amounts for Year Ended June 30, 2012

	2013			Variance Favorable (Unfavorable)	2012 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Intergovernmental					
Compact gaming revenues	\$ 179,420	\$ 179,420	\$ 175,230	\$ (4,190)	\$ 176,099
Total Revenues	<u>179,420</u>	<u>179,420</u>	<u>175,230</u>	<u>(4,190)</u>	<u>176,099</u>
<b>Expenditures:</b>					
Public Safety	-	-	150	(150)	75
Capital Outlays	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>150</u>	<u>(150)</u>	<u>75</u>
Excess (deficiency) of revenues over (under) expenditures	179,420	179,420	175,080	(4,340)	176,024
<b>Other Financing Uses:</b>					
Operating transfers	(179,420)	(179,420)	(176,928)	2,492	(219,286)
Total other financing uses	<u>(179,420)</u>	<u>(179,420)</u>	<u>(176,928)</u>	<u>2,492</u>	<u>(219,286)</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	-	-	(1,848)	(1,848)	(43,262)
Fund balance, beginning	46,869	46,869	46,869	-	46,869
Fund balance, ending	<u>\$ 46,869</u>	<u>\$ 46,869</u>	<u>\$ 45,021</u>	<u>\$ (1,848)</u>	<u>\$ 3,607</u>

CITY OF OAKDALE, LOUISIANA  
Special Revenue Fund  
Fire Department Fund  
Budgetary Comparison Schedule  
Year Ended June 30, 2013  
With Comparative Actual Amounts for Year Ended June 30, 2012

	2013			Variance Favorable (Unfavorable)	2012 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
<b>Taxes -</b>					
Ad valorem taxes	\$ 102,000	\$ 102,000	\$ 103,995	\$ 1,995	\$ 105,168
Fire insurance tax	29,000	29,000	32,155	3,155	29,708
Intergovernmental - state	-	-	8,250	8,250	-
<b>Total Revenues</b>	<u>131,000</u>	<u>131,000</u>	<u>144,400</u>	<u>13,400</u>	<u>134,876</u>
<b>Expenditures:</b>					
<b>Current</b>					
Public safety -					
Salaries	130,544	140,573	168,072	(27,499)	132,566
Fringe benefits	45,687	43,088	47,021	(3,933)	45,485
Office and operating supplies	8,000	9,310	11,739	(2,429)	12,433
Uniforms	1,500	2,506	2,506	-	7,565
Repairs and maintenance	15,000	15,071	15,071	-	26,676
Telephone and utilities	12,000	16,139	17,751	(1,612)	12,167
Training	3,500	2,260	2,260	-	2,735
Insurance	20,000	20,000	38,125	(18,125)	22,829
Gas, oil, tires, and batteries	8,550	15,278	15,061	217	10,359
Miscellaneous	500	6,682	4,896	1,786	865
Capital outlays	-	-	204,955	(204,955)	-
Debt Service -					
Principal retirement	-	-	8,934	(8,934)	-
Interest	-	-	2,774	(2,774)	-
<b>Total Expenditures</b>	<u>245,281</u>	<u>270,907</u>	<u>539,165</u>	<u>(268,258)</u>	<u>273,680</u>
<b>Deficiency of Revenues Over Expenditures</b>	<u>(114,281)</u>	<u>(139,907)</u>	<u>(394,765)</u>	<u>(254,858)</u>	<u>(138,804)</u>
<b>Other financing sources:</b>					
Capital lease proceeds	-	-	142,241	142,241	-
Operating transfers	114,281	145,202	250,956	105,754	142,513
<b>Total other financing sources</b>	<u>114,281</u>	<u>145,202</u>	<u>393,197</u>	<u>247,995</u>	<u>142,513</u>
<b>Excess (deficiency) of revenues and other sources over (under) expenditures</b>	-	5,295	(1,568)	6,863	3,709
Fund balance, beginning	30,168	30,168	30,168	-	26,459
Prior period adjustment - Note L	(30,055)	(30,055)	(30,055)	-	-
Fund balance, beginning as restated	113	113	113	-	26,459
<b>Fund balance, ending</b>	<u>\$ 113</u>	<u>\$ 5,408</u>	<u>\$ (1,455)</u>	<u>\$ (6,863)</u>	<u>\$ 30,168</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF OAKDALE, LOUISIANA  
Proprietary Fund  
Statements of Operating Expenses by Department  
Years Ended June 30, 2013 and 2012

	<u>2012</u>	<u>2013</u>
<b>Water department:</b>		
Salaries	\$ 11,700	\$ 34,109
Fringe benefits	19,373	19,929
Supplies	40,831	53,591
Repairs and maintenance	28,754	6,418
Auto and truck expenses	12,801	41,526
Utilities	121,678	162,961
Insurance	25,346	5,791
Other	11,603	7,845
Depreciation	<u>106,799</u>	<u>103,289</u>
<b>Total water department</b>	<u><b>378,885</b></u>	<u><b>435,459</b></u>
<b>Sewer department:</b>		
Salaries	68,590	67,753
Fringe Benefits	40,531	46,900
Supplies	45,125	73,071
Repairs and maintenance	46,085	15,039
Utilities	147,218	167,177
Insurance	24,717	14,833
Other	5,518	4,546
Depreciation	<u>105,457</u>	<u>135,838</u>
Subtotal	483,241	525,157
Interest on long-term debt – sewer	-	31,597
<b>Total sewer department</b>	<u><b>483,241</b></u>	<u><b>556,754</b></u>
<b>Total operating expenses</b>	<u><b>\$ 862,126</b></u>	<u><b>\$ 992,213</b></u>



CITY OF OAKDALE, LOUISIANA

Utility System Enterprise Fund  
Schedule of Number of Utility Customers  
(Unaudited)  
June 30, 2013

	<u>Number of Customers</u> <u>Water and sewer</u>
Metered or estimated:	
July, 2012	2131
August, 2012	2137
September, 2012	2134
October, 2012	2130
November, 2012	2138
December, 2012	2137
January, 2013	2122
February, 2013	2112
March, 2013	2128
April, 2013	2121
May, 2013	2121
June, 2013	2128

CITY OF OAKDALE, LOUISIANA  
 Schedule of Insurance in Force  
 (Unaudited)  
 June 30, 2013

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation:	
Employer's liability - bodily injury by disease per accident	\$ 100,000
- bodily injury by disease policy limit	500,000
- bodily injury by accident per employee	100,000
Surety Bonds:	
City clerk	35,000
Other clerks	50,000
General liability:	
City-	
Bodily injury/property damage	500,000
Aggregate	500,000
Police-	
Personal injury/property damage	500,000
Aggregate	500,000
Public officials' error and omissions	500,000
Automobile	500,000
Fire, extended coverage, blanket policy:	
Buildings	7,970,927
Contents	3,716,473
Comprehensive liability and collision:	
Fire equipment	1,000,000

CITY OF OAKDALE, LOUISIANA  
Schedule of Compensation Paid to Mayor and Council Members  
(Unaudited)  
Year Ended June 30, 2013

Andrew Hayes - Mayor	\$ 19,208
Gene Paul - Mayor	16,042
John Matte	3,214
Gwen Alsbury	6,000
Robert Loman	3,214
George Ashy	7,200
Ralph Stapleton	6,562
Frederick Douglas	3,046
Ervin Willis	<u>2,768</u>
 Total Compensation Paid to Mayor and Council Members	 <u>\$ 67,254</u>

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### INDEPENDENT AUDITORS' 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

December 19, 2013

Honorable Gene Paul, Mayor  
and the City Council  
City of Oakdale, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Oakdale, Louisiana, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Oakdale, Louisiana's basic financial statements and have issued our report thereon dated December 19, 2013.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Oakdale, 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 Oakdale, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Oakdale, 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 to detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies which are described in the accompanying schedule of findings and responses as item 2013-1 I/C & C, 2013-2 I/C & C, 2013-3 I/C & C, and 2013-7 I/C.

Honorable Gene Paul, Mayor  
and the City Council  
City of Oakdale, Louisiana  
December 19, 2013  
Page 2

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the City of Oakdale, Louisiana's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard* and which are described in the accompanying schedule of findings and responses as item 2013-1 I/C & C, 2013-2 I/C & C, 2013-3 I/C & C, 2013-4 C, 2013-5 C, 2013-6 C, 2013-8 C, and 2013-9 C.

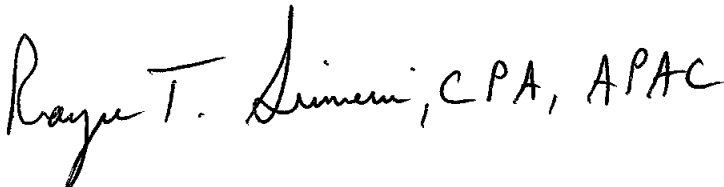
City of Oakdale, Louisiana's Response to Findings

The City of Oakdale, Louisiana's response to the findings identified in our audit is described in the accompanying management's corrective action plan for the current year audit findings and responses. The City of Oakdale, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Royce T. Scimemi, CPA, APAC



CITY OF OAKDALE, LOUISIANA  
 Schedule of Findings and Responses  
 Year Ended June 30, 2013

**Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_ yes    X no
- Control deficiencies(s) identified that are not considered to be material weakness(es)? X yes    \_\_\_ none reported
- Noncompliance material to financial statements noted? \_\_\_ yes    X no

**Findings – Financial Statement Audit**

Finding #2013-1 I/C & C:

Article 7, Section 14 of the 1974 Louisiana Constitution

**Condition:** Current and past payroll processing clerks may have violated the above referenced law by paying fringe benefits out of City funds that were actually payable by the clerks themselves. Unusual behavior in certain fringe benefits like retirement plans, dental insurance plans, accidental death and dismemberment plans, etc. indicated expenses that were not required to be paid by the City with City funds lead to further investigation of such expenditures. The City's payroll clerk at the time audit procedures were being undertaken was questioned and admitted to paying fringe benefits with City funds that should have been paid with employee funds through withholding deductions to paychecks. The City police department have made arrests and are in the process of investigating the possible infraction. The Louisiana Legislative Auditor and Allen Parish District Attorney have been formally notified as required by Louisiana Revised Statutes.

**Criteria:** Controls over payroll check processing and appropriate withholdings should be monitored along with the associated expense accounts in the general ledger.

**Cause:** Lack of internal controls.

**Effect:** Possible violation of the Article 7, Section 14 of the 1974 Louisiana Constitution.

**Recommendation:** Strengthen oversight by monitoring payroll checks and the related payments of fringe benefits.

**Response:** See Corrective Action Plan

Finding #2013-2 I/C & C:

Unauthorized Levy and Collection of Ad Valorem Taxes

**Condition:** The City has inappropriately levied and collected two ad valorem tax levies of 2.86 and 1.77 mills during the current fiscal year and in preceding years that was approved by the voters to make debt service payments on sewer bonds that were paid off in 2002 or 2003. Since the bonds associated with these millages were paid, the City should have ceased levying those tax millages.

**Criteria:** Controls over levies should be monitored and adjusted to only collect ad valorem taxes that the voters approved.

**Cause:** Lack of internal controls.

**Effect:** Possible violation of the voter approved levy.

CITY OF OAKDALE, LOUISIANA  
Schedule of Findings and Responses  
Year Ended June 30, 2013

Recommendation: Strengthen oversight by monitoring levies and adjusting them to fund the related debt obligations.

Response: See Corrective Action Plan

Finding #2013-3 I/C & C:

Authorized Levy of Ad Valorem Taxes Not Being Collected

Condition: The City was authorized by the voters to collect ad valorem taxes sufficient to make the debt service payments on the general obligation bonds issued in 2003. To date the City has not levied and collected these ad valorem taxes and have used other funds to make these debt service payments. Since the debt service payments on these bonds vary, the millage rate should be adjusted annually to fund those obligations.

Criteria: Controls over levies should be monitored and adjusted to collect ad valorem taxes that the voters approved in sufficient amount to make the required debt service payments.

Cause: Lack of internal controls.

Effect: Possible violation of the voter approved levy and taxes were collected inappropriately.

Recommendation: Strengthen oversight by monitoring levies and adjusting them to fund the related debt obligations.

Response: See Corrective Action Plan

Finding #2013-4 C:

Reserve Fund Requirements on Sewer Revenue Bond Issue

Condition: As of June 30, 2013, the City did not fund the required reserve accounts in accordance with the Sewer Revenue Bond Agreement associated with its Sewer Revenue Bond Issue.

Criteria: Certain amounts are required under the Sewer Revenue Bond Issue to be deposited into certain accounts.

Cause: Lack of available funds.

Effect: Violation of the bond covenants.

Recommendation: Increase funding so that the required deposits can be made.

Response: See Corrective Action Plan

Finding #2013-5 C:

Local Governmental Budget Act Compliance

Criteria: The actual expenditures in the general, sales tax, gaming, and fire department funds were in excess of budgeted amounts by more than 5%.

Cause: Budgets are being prepared with amounts that may not have been annualized.

Effect: Possible violation of the Louisiana Local Governmental Budget Act.

Recommendation: Closely monitor departmental budgets and annualizing interim expenditures in calculating original and amended budgets.

CITY OF OAKDALE, LOUISIANA  
Schedule of Findings and Responses  
Year Ended June 30, 2013

Response: See Corrective Action Plan

Finding #2013-6 C:

Public Bid Law Compliance

Criteria: The City purchased \$25,452 in playground equipment, 3 police vehicles for \$84,086 (\$29,576, \$27,255, and \$27,255), and \$25,135 in extrication equipment that may not have been in compliance with the Public Bid Law. The City was required under the Public Bid Law to have documentation of 3 phone or facsimile quotes on each of these purchases. The City also purchased \$55,097 in playground equipment and \$141,346 in firefighting equipment that may not have been in compliance with the Public Bid Law. The City was required under the Public Bid Law to advertise for bid and accept the lowest responsible bidder's bid on these purchases. No documentation of advertisement was provided on these purchases.

Cause: Documentation of compliance with the Public Bid Law was not gathered at the time the purchases were made.

Effect: Possible violation of the Public Bid Law.

Recommendation: Closely monitor departmental acquisition of large purchases by the City Clerk to ensure that adequate documentation is maintained.

Response: See Corrective Action Plan

Finding #2013-7 I/C:

Credit Card Late Fees

Criteria: The City is being charged late fees for delinquent credit card payments.

Cause: Delaying payment on accounts for purchases using credit cards.

Effect: Finance and late charges being assessed by the credit card company.

Recommendation: Increase funding so that timely payments can be made and change the billing and due dates.

Response: See Corrective Action Plan

Finding #2013-8 C:

Delinquent Payroll Taxes

Criteria: The federal and state tax codes require that payroll tax returns and payments be prepared and filed accurately and timely. As of June 30, 2013, the City owed federal and state payroll taxes for the first and second quarters of 2013. In addition, significant penalties will be assessed for failure to file and pay said taxes.

Cause: Lack of available funds.

Effect: Penalties and late charges being assessed by the federal and state governments.

Recommendation: File all returns timely no matter whether cash is available to reduce late filing penalties and increase funding so that timely payment can be made.

Response: See Corrective Action Plan



CITY OF OAKDALE, LOUISIANA  
Schedule of Findings and Responses  
Year Ended June 30, 2013

Finding #2013-9 C:

Customer Meter Deposit Cash Available to Cover Customer Meter Deposits Payable

Criteria: The City is in a fiduciary capacity to maintain as much cash in the customer meter deposits account as is owed to the City's customers and reported in the customer meter deposits payable account.

Cause: Funding shortfalls and the use of customer funds for other purposes.

Effect: Customer meter deposit funds have been used to pay the City's operating expenses.

Recommendation: Increase funding so that the restricted balances are high enough to cover 100% of the customer meter deposits payable.

Response: See Corrective Action Plan

**Federal Award Findings and Questioned Costs**

- None

CITY OF OAKDALE, LOUISIANA  
Management's Corrective Action Plan for  
Current Year Audit Findings and  
Responses (Unaudited)  
Year Ended June 30, 2013

Finding #2013-1 I/C & C:

Article 7, Section 14 of the 1974 Louisiana Constitution

The responsible payroll personnel have been terminated and criminal charges have been filed. Tighter internal controls and oversight over the payroll processing will be initiated by the City Clerk.

Finding #2013-2 I/C & C:

Unauthorized Levy and Collection of Ad Valorem Taxes

The City is currently seeking information regarding why these taxes have been levied and collected when the related bond indenture has been paid. They will not be levied and included in next year's tax rolls.

Finding #2013-3 I/C & C:

Authorized Levy of Ad Valorem Taxes Not Being Collected

The City will levy a millage that will be sufficient to make the associated bond indenture debt service payments.

Finding #2013-4 C:

Reserve Fund Requirements on Sewer Revenue Bond Issue

If funds become available, the City will make the required payments.

Finding #2013-5 C:

Local Governmental Budget Act Compliance

Management is monitoring revenues and expenditures monthly and amending the budget as necessary to comply with the Louisiana Local Governmental Budget Act.

Finding #2013-6 C:

Public Bid Law Compliance

Management is now aware of the requirements of the Public Bid Law and will comply in the future.

Finding #2013-7 I/C:

Credit Card Late Fees

The City has requested that the credit card company change the billing and due dates of the payments to allow additional time for the payments to be processed and submitted.

Finding #2013-8 C:

Delinquent Payroll Taxes

The City has filed all payroll tax returns due at this point. Payment on some of the taxes is awaiting resolution of cash flow shortages.

Finding #2013-9 C:

Customer Meter Deposit Cash Available to Cover Customer Meter Deposits Payable

The ability of the City to maintain this balance is awaiting resolution of cash flow shortages. As soon as funds become available, the require amounts will be maintained.

Contact Person: Gene Paul, Mayor of the City of Oakdale

CITY OF OAKDALE, LOUISIANA  
Summary Schedule of Prior Year Audit Findings  
Year Ended June 30, 2013

2012-1 C: Local Governmental Budget Act Compliance

Corrective Action Taken: Management is monitoring revenues and expenditures monthly and amending the budget as necessary to comply with the Louisiana Local Governmental Budget Act.

2012-2 I/C: Miscodings

Corrective Action Taken: Controls have been strengthened to ensure that transactions are more accurately coded and consistently recorded in the proper accounts.

2012-3 C: Reserve Fund on Sewer Bond Issue

Corrective Action Taken: Cash flow has prevented the City from complying with this requirement.

2012-4 I/C: Credit Card Late Fees

Corrective Action Taken: The City has requested that the credit card company change the billing and due dates of the payments to allow additional time for the payments to be processed and submitted.

2012-5 I/C: Qualifications and Training

Corrective Action Taken: The City has provided considerable training to the accounting staff.

2012-6 I/C & C: Delinquent Payroll Taxes

Corrective Action Taken: The City has filed all payroll tax returns due at this point. Payment on some of the taxes is pending as a result of cash flow shortages.