

CITY OF OAKDALE, LOUISIANA

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORT

YEAR ENDED JUNE 30, 2017

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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, 2017. 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 \$7,858,809 (net position) for the fiscal year reported.
- Total revenues of \$5,585,023 exceeded its total expenses of \$4,439,240 which resulted in a current year surplus of \$1,145,783. In comparison, for the previous year ended June 30, 2016, the City's total revenues of \$4,814,894 exceeded its total expenses of \$3,990,498, yielding a surplus of \$824,396.
- Total net position are comprised of the following:
 - (1) Capital assets, net of related debt, of \$8,966,577 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, 2016, the City's net capital assets were \$8,141,422.
 - (2) For the fiscal years ended June 30, 2017 and 2016, respectively, net position of \$49,171 and \$35,038 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 \$1,156,939 and \$1,463,434 for the fiscal years ended June 30, 2017 and 2016, respectively.
- The City's governmental funds reported total ending fund balance of \$713,955 this year. This compares to the prior year ending fund balance of \$367,389 reflecting an increase of \$346,566 during the current year. For the prior year ended June 30, 2016, an increase of \$519,697 was reported in the total ending fund balance. All positive fund balances are nonspendable, unassigned, assigned, or restricted to particular uses.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was a surplus of \$245,199, or 7% of total General Fund expenditures and 7% of total General Fund revenues including other financing sources. In comparison, for the fiscal year ended June 30, 2016, unassigned fund balance for the General Fund was a surplus of \$89,095, or 3% of total General Fund expenditures and 3% of total General Fund revenues including other financing sources.
- Overall, the City substantially improved on 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. There is no individual fund data for non-major funds to be reported in any combining statements.

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 24 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's 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 25 through 28 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 29 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information consisting of (1) the management's discussion and analysis (on pages 3 – 12), (2) the budgetary comparison statements which demonstrate compliance with the City's adopted and final revised budgets (on pages 50 – 56), (3) the schedules of the City's proportionate share of net pension liability for the Municipal Police Employee Retirement System (MPERS), Municipal Employee Retirement System (MERS), Firefighters Retirement System of Louisiana (FRS), and Louisiana State Employees Retirement System (LASERS) (on pages 57-60), (4) and the related schedules of pension plan contributions (on pages 61 – 64) as "required supplementary information."

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, the schedule of compensation paid to the Mayor and Council members, and the schedule of compensation, benefits and other payments to the chief executive officer is presented in a subsequent section of this report beginning on page 67.

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 \$7,858,809. The following table provides a summary of the City's net position:

	Governmental Activities	Business-Type Activities	2017 Total	Percentage Total	2016 Total
Assets:					
Current assets	\$ 939,522	\$ 313,599	\$ 1,253,121	9%	\$ 895,227
Restricted assets	42,377	90,730	133,107	1	114,076
Building deposit	38,750	-	38,750	-	-
Capital assets	<u>4,856,990</u>	<u>7,327,239</u>	<u>12,184,229</u>	<u>90</u>	<u>11,815,734</u>
Total assets	<u>5,877,639</u>	<u>7,731,568</u>	<u>13,609,207</u>	<u>100%</u>	<u>12,825,037</u>
Deferred outflows of resources					
	<u>1,393,884</u>	<u>-</u>	<u>1,393,884</u>	<u>100%</u>	<u>958,679</u>
Liabilities:					
Current liabilities	549,110	233,109	782,219	11%	740,181
Long-term liabilities	<u>3,760,142</u>	<u>2,347,936</u>	<u>6,108,078</u>	<u>89</u>	<u>5,966,032</u>
Total liabilities	<u>4,309,252</u>	<u>2,581,045</u>	<u>6,890,297</u>	<u>100%</u>	<u>6,706,213</u>
Deferred inflows of resources					
	<u>253,985</u>	<u>-</u>	<u>253,985</u>	<u>100%</u>	<u>364,477</u>
Net Position:					
Investment in capital assets, net of debt	4,059,115	4,907,462	8,966,577	114	8,141,422
Restricted	42,377	6,794	49,171	1	35,038
Unrestricted	<u>(1,393,206)</u>	<u>236,267</u>	<u>(1,156,939)</u>	<u>(15)%</u>	<u>(1,463,434)</u>
Total net position	<u>\$ 2,708,286</u>	<u>\$ 5,150,523</u>	<u>\$ 7,858,809</u>	<u>100%</u>	<u>\$ 6,713,026</u>

The City improved on previously 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 1.71 to 1 for governmental activities and 1.35 to 1 for business-type activities. This compares with the prior year's ratios of 1.03 to 1 and 1.8 to 1, respectively. For the City overall, the current ratio is 1.60 to 1 while that same financial indicator was 1.21 to 1 for the fiscal year ended June 30, 2016. These ratios are significantly improved from past performance.

The City reported positive balances in net position for both governmental and business-type activities. For the fiscal years ended June 30, 2017 and 2016, respectively, net position increased (decreased) by \$1,246,638 and \$952,538 for governmental activities and by (\$100,855) and (\$128,142) for business-type activities. The City's overall financial position improved significantly during the fiscal year ended in June 30, 2017.

Note that approximately 150% and 218% of the governmental activities' net position are tied up in capital assets as of June 30, 2017 and June 30, 2016, respectively. The City uses these capital assets to provide services to its citizens. However, with business-type activities, the City has invested approximately 95% and 94% of its net position on capital assets during the respective fiscal years ended June 30, 2017 and 2016. 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, 2017 and 2016, 114% and 121% 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	2017 Total	% Total	2016 Total	% Total
Revenues:						
Program:						
Charges for services/fines	\$ 486,937	\$ 1,929,439	\$ 2,416,376	43%	\$ 2,236,011	46%
Operating grants	82,824	-	82,824	1%	86,500	2%
Capital grants	637,687	172,049	809,736	15%	94,850	2%
General:						
Sales taxes	1,228,791	-	1,228,791	22%	1,187,401	25%
Other taxes	651,874	-	651,874	12%	645,414	13%
Other	394,703	719	395,422	7%	564,718	12%
Total Revenues	<u>3,482,816</u>	<u>2,102,207</u>	<u>5,585,023</u>	<u>100%</u>	<u>4,814,894</u>	<u>100%</u>
Program expenses:						
General government	842,386	-	842,386	19%	806,367	20%
Public safety:						
Police	1,336,826	-	1,336,826	30%	1,131,717	28%
Fire	428,044	-	428,044	10%	358,965	9%
Public works	431,299	-	431,299	10%	378,712	10%
Health and recreation	190,907	-	190,907	4%	172,799	4%
Interest	37,204	23,358	60,562	1%	72,555	2%
Utility expenses	-	1,149,216	1,149,216	26%	1,069,383	27%
Total Expenses	<u>3,266,666</u>	<u>1,172,574</u>	<u>4,439,240</u>	<u>100%</u>	<u>3,990,498</u>	<u>100%</u>
Excess (deficiency)	216,150	929,633	1,145,783		824,396	
Transfers	<u>1,030,488</u>	<u>(1,030,488)</u>	<u>-</u>		<u>-</u>	
Change in net position	1,246,638	(100,855)	1,145,783		824,396	
Beginning net position	<u>1,461,648</u>	<u>5,251,378</u>	<u>6,713,026</u>		<u>5,888,630</u>	
Ending net position	<u>\$ 2,708,286</u>	<u>\$ 5,150,523</u>	<u>\$ 7,858,809</u>		<u>\$ 6,713,026</u>	

GOVERNMENTAL REVENUES

The City is heavily reliant on sales taxes to support governmental operations. Sales taxes equal 35% of the revenues for governmental activities, as compared with 41% in the prior year. Also note that program revenues cover only 37% (16% in the year ended June 30, 2016) of governmental operating expenses. This means that the government's taxpayers and the City's other general revenues fund 63% (84% 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, 2017 and 2016, respectively, police services comprised 30% and 28% of the City's total expenses and 41% and 39% of the total governmental expenses. For the fiscal years ended June 30, 2017 and 2016, total public safety makes up 54% and 51% 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

	2016		2017	
	Total Cost of Services	Net Cost (Benefit) of Services	Total Cost of Services	Net Cost (Benefit) of Services
General government	\$ 806,367	\$ 582,917	\$ 842,386	\$ 438,318
Public safety:				
Police	1,131,717	976,359	1,336,826	1,191,133
Fire	358,965	334,965	428,044	408,044
Public works	378,712	308,029	431,299	(206,388)
Health and recreation	172,799	172,799	190,907	190,907
Interest on long-term debt	47,780	47,780	37,204	37,204
Total	<u>\$ 2,896,340</u>	<u>\$ 2,422,849</u>	<u>\$ 3,266,666</u>	<u>\$ 2,059,218</u>

BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs

The operating revenues for the utility funds were 1% less than 2016 and operating expenses were 7% more than 2016. Within the total business-type activities of the City, these activities reported a \$929,633 operating income compared to an operating income of \$850,436 for the prior year. However, after operating transfers out, the business-type activities reported a deficit of \$100,855, which compares with the overall fund deficit of \$128,142 experienced in the year ended June 30, 2016.

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 \$713,955 and \$367,389 for the fiscal years ended June 30, 2017 and 2016, respectively. Of the year-end totals for June 30, 2017, \$239,493 was unassigned, indicating availability for continuing City service requirements. Assigned fund balance included \$358,542 committed to public safety, public works and infrastructure. Legally restricted fund balance included \$42,377 committed to debt service in the year ended June 30, 2017, while nonspendable fund balance was \$73,543.

The total ending fund balances of governmental funds show an increase of \$346,566. This compares with an increase of \$519,967 experienced in the prior fiscal year ended June 30, 2016.

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 increased by \$190,897 in the current fiscal year, while in the fiscal year ended June 30, 2016, the fund balance increased by \$675,897. 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 \$341,728 or 28% more than the prior year reflecting primarily increases in intergovernmental income. The expenditures side shows an increase of \$902,135 or 35% more than the prior year reflecting primarily increases in capital outlays.

The General Fund's ending fund balance was \$279,992 representing the equivalent of 8% of its annual expenditures and 8% of its annual revenues including other financing sources.

The Sales Tax Fund continues to maintain a moderate fund balance with revenues in 2017 increasing by \$41,385 or 3% more than those earned in the fiscal year ended June 30, 2016, which had been approximately the same as those earned in the preceding year. Expenditures consisted completely of transfers to other funds.

The Gaming Fund continues to maintain a minimal fund balance as revenues increasing by \$15,517 or 9% more than those earned in the fiscal year ended June 30, 2016, which had experienced a 9% increase from the preceding year. Expenditures consisted solely of transfers to other funds.

The Fire Department Fund continues to maintain a minimal fund balance with revenues increasing by \$2,353 or 1% more than those earned in the fiscal year ended June 30, 2016. The expenditures side shows an increase of \$17,748 or 5% more than the prior fiscal year reflecting primarily increases in supplies and utilities.

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 and expenditures in 2017 being approximately the same as those in the fiscal year ended June 30, 2016. 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 \$341,431 decrease and a \$58,290 decrease, respectively in relation to the prior year's final budget. The primary change in the General Fund's amended revenue budget relates to decreases in grant income, and the amended expenditure budget reflects decreases in police expenditures.

The actual revenues exceeded the final budget by \$548,647 or 55% and the actual expenditures exceeded the final budgeted expenditures by \$914,848 or 35%.

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 \$4,768 increase and no change, 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 decrease in sales tax collection fees.

The actual revenues exceeded the final budget revenues by \$37,698 or 3% and the actual expenditures equaled final budgeted expenditures of \$0.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Continued)

The Gaming Fund - The revenue and expenditure sides of the current year's final budget for the Gaming Fund were the same, in relation to the prior year's final budget.

The actual revenues exceeded the final budgeted revenues by \$26,374 or 17% and the actual expenditures equaled the final budget expenditures of \$0.

The Fire Department Fund - The revenue and expenditure sides of the current year's final budget for the Fire Department Fund were not revised and revised by a \$34,156 decrease, 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 decrease in fringe benefits.

The actual revenues exceeded the final budgeted revenues by \$22,079 or 16% and the actual expenditures exceeded final budgeted expenditures by \$10,323 or 3%.

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, 2017, were \$4,586,990 and \$7,327,239, respectively, while those figures as of June 30, 2016, were \$4,290,991 and \$7,524,743 respectively. The overall increase was 3% 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	
	2016	2017	2016	2017	2016	2017
Non-depreciable assets:						
Land	\$ 532,583	\$ 532,583	\$ 70,543	\$ 70,543	\$ 603,126	\$ 603,126
Construction in progress	92,038	-	-	-	92,038	-
Total non-depreciable	<u>624,621</u>	<u>532,583</u>	<u>70,543</u>	<u>70,543</u>	<u>695,164</u>	<u>603,126</u>
Depreciable assets:						
Buildings	5,521,745	5,687,227	-	-	5,521,745	5,687,227
Vehicles	1,291,661	1,282,035	-	-	1,291,661	1,282,035
Equipment, furniture and fixtures	1,459,729	1,466,201	-	-	1,459,729	1,466,201
Improvements other than buildings	478,110	1,235,208	-	-	478,110	1,235,208
Utility systems	-	-	16,493,568	16,677,222	16,493,568	16,677,222
Infrastructure	<u>1,527,400</u>	<u>1,527,400</u>	<u>-</u>	<u>-</u>	<u>1,527,400</u>	<u>1,527,400</u>
Total depreciable assets	10,278,645	11,198,071	16,493,568	16,677,222	26,772,213	27,875,293
Less accumulated depreciation	<u>6,612,275</u>	<u>6,873,664</u>	<u>9,039,368</u>	<u>9,420,526</u>	<u>15,651,643</u>	<u>16,294,190</u>
Book value-depreciable assets	<u>\$ 3,666,370</u>	<u>\$ 4,324,407</u>	<u>\$ 7,454,200</u>	<u>\$ 7,256,696</u>	<u>\$ 11,120,570</u>	<u>\$ 11,581,103</u>
Percentage depreciated	64%	61%	55%	56%	58%	58%
Book value-all assets	<u>\$ 4,290,991</u>	<u>\$ 4,856,990</u>	<u>\$ 7,524,743</u>	<u>\$ 7,327,239</u>	<u>\$ 11,815,734</u>	<u>\$ 12,184,229</u>

The depreciable capital assets for governmental activities were 61% and 64% depreciated for the fiscal years ended June 30, 2017 and June 30, 2016, respectively. This comparison indicates that the City is replacing its governmental assets faster than they are depreciating.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Continued)

The major additions are:

- Highway beautification – sidewalks, lights, & trees
- Three vehicles
- Civic center restoration
- Backhoe
- Radios
- Tractor

With the City's business-type activities, 56% of the asset values were depreciated at June 30, 2017 compared to 55% at June 30, 2016. This comparison indicates that the city is replacing its business-type assets at approximately the same rate as they are depreciating.

The major additions are:

- Local plant sewer extension
- Chlorination treatment equipment
- Pumps

Long-term debt

At the end of the fiscal year, the City had total long-term debt outstanding of \$3,228,736. 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 \$4,605 and retired \$453,267 in long-term debt. See Note G for additional information regarding long-term debt.

	Outstanding Borrowings	
	2016	2017
Sewer revenue bonds	\$ 2,565,000	\$ 2,415,000
Revolving loan	537,412	437,412
General obligation bond	145,000	75,000
Certificates of indebtedness	80,000	-
Capital lease obligations	324,655	271,388
Accrued leave benefits	25,331	29,936
Total	\$ 3,677,398	\$ 3,228,736

ECONOMIC CONDITIONS AFFECTING THE CITY

The City's primary revenue stream comes from 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 Coshatta 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 were approximately \$46,000 per quarter. This represents a decrease of 55% 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.

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Certified Public Accountants

Member
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Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

December 28, 2017

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, 2017, 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.

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, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules on pages 3 through 12 and 50 through 64 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 proprietary fund statement of operating expenses by department, the schedule of number of utility customers, the schedule of insurance in force, the schedule of compensation paid to the Mayor and Council Members, and the schedule of compensation, benefits and other payments to chief executive officer are presented on pages 67 through 71 for purposes of additional analysis and are not a required part of the basic financial statements.

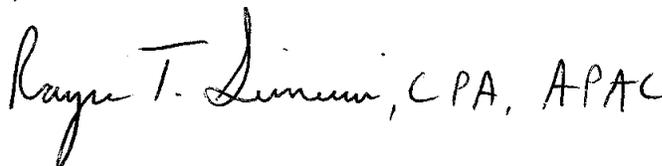
The proprietary fund statement of operating expenses by department, the schedule of compensation paid to the Mayor and Council Members, and the schedule of compensation, benefits and other payments to chief executive officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the proprietary fund statement of operating expenses by department, the schedule of compensation paid to the Mayor and Council Members, and the schedule of compensation, benefits and other payments to chief executive officer are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of number of utility customers and schedule of insurance in force have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2017, on our consideration of the City 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



BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

City of Oakdale, Louisiana
Statement of Net Position
June 30, 2017

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
<i>Current Assets:</i>			
Cash and certificates of deposit	\$ 241,804	\$ 3,974	\$ 245,778
Accounts receivable	662,925	309,625	972,550
Prepaid expenditures	34,793	--	34,793
<i>Total Current Assets</i>	<u>939,522</u>	<u>313,599</u>	<u>1,253,121</u>
<i>Noncurrent Assets:</i>			
Restricted cash and certificates of deposit	42,377	90,730	133,107
Building deposit	38,750	--	38,750
Land	532,583	70,543	603,126
Capital assets, net	4,324,407	7,256,696	11,581,103
<i>Total Noncurrent Assets</i>	<u>4,938,117</u>	<u>7,417,969</u>	<u>12,356,086</u>
Total Assets	<u>5,877,639</u>	<u>7,731,568</u>	<u>13,609,207</u>
DEFERRED OUTFLOWS OF RESOURCES			
Aggregated deferred outflows	1,393,884	--	1,393,884
Total Deferred Outflows of Resources	<u>1,393,884</u>	<u>--</u>	<u>1,393,884</u>
LIABILITIES			
<i>Current Liabilities:</i>			
Sales taxes payable	--	5,084	5,084
Accounts payable	306,694	72,248	378,942
Accrued interest payable	14,076	4,777	18,853
Bonds payable	179,000	151,000	330,000
Capital leases payable	49,340	--	49,340
<i>Total Current Liabilities</i>	<u>549,110</u>	<u>233,109</u>	<u>782,219</u>
<i>Noncurrent Liabilities:</i>			
Accrued compensated absences payable	29,936	--	29,936
Customer deposits payable	--	83,936	83,936
Capital leases payable	222,048	--	222,048
Bonds payable	333,412	2,264,000	2,597,412
Net pension liability	3,174,746	--	3,174,746
<i>Total Noncurrent Liabilities</i>	<u>3,760,142</u>	<u>2,347,936</u>	<u>6,108,078</u>
Total Liabilities	<u>4,309,252</u>	<u>2,581,045</u>	<u>6,890,297</u>
DEFERRED INFLOWS OF RESOURCES			
Aggregated deferred inflows	253,985	--	253,985
Total Deferred Inflows of Resources	<u>253,985</u>	<u>--</u>	<u>253,985</u>
NET POSITION			
<i>Invested in capital assets, net of related debt</i>	4,059,115	4,907,462	8,966,577
<i>Restricted</i>	42,377	6,794	49,171
<i>Unrestricted</i>	(1,393,206)	236,267	(1,156,939)
Total Net Position	<u>\$ 2,708,286</u>	<u>\$ 5,150,523</u>	<u>\$ 7,858,809</u>

City of Oakdale, Louisiana
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities:								
General government	\$ 842,386	\$ 404,068	\$ --	\$ --	\$ (438,318)	\$ --	\$ (438,318)	
Public safety - police	1,336,826	82,869	62,824	--	(1,191,133)	--	(1,191,133)	
Health and recreation	190,907	--	--	--	(190,907)	--	(190,907)	
Public works	431,299	--	--	637,687	206,388	--	206,388	
Public safety - fire	428,044	--	20,000	--	(408,044)	--	(408,044)	
Interest and fiscal charges	37,204	--	--	--	(37,204)	--	(37,204)	
Total Governmental Activities	3,266,666	486,937	82,824	637,687	(2,059,218)	--	(2,059,218)	
Business-Type Activities:								
Water department	449,042	1,036,059	--	--	--	587,017	587,017	
Sewer department	700,174	893,380	--	172,049	--	365,255	365,255	
Interest and fiscal charges	23,358	--	--	--	--	(23,358)	(23,358)	
Total Business-Type Activities	1,172,574	1,929,439	--	172,049	0	928,914	928,914	
Total Primary Government	\$ 4,439,240	\$ 2,416,376	\$ 82,824	\$ 809,736	\$ (2,059,218)	\$ 928,914	\$ (1,130,304)	
			General Purpose Revenues and Transfers:					
			Revenues					
			Taxes:					
					122,036	--	122,036	
					140,707	--	140,707	
					85,748	--	85,748	
					1,228,791	--	1,228,791	
					273,109	--	273,109	
					21,275	--	21,275	
					8,999	--	8,999	
			Intergovernmental					
					9,450	--	9,450	
					194,646	--	194,646	
					126,721	--	126,721	
					108	719	827	
					63,778	--	63,778	
					1,030,488	(1,030,488)	--	
					3,305,856	(1,029,769)	2,276,087	
					1,246,638	(100,855)	1,145,783	
					1,461,648	5,251,378	6,713,026	
					\$ 2,708,286	\$ 5,150,523	\$ 7,858,809	

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, 2017

	Special Revenue			Debt Service	Total Governmental Funds	
	General	Sales Tax Fund	Gaming Fund	Fire Department Fund		Bonded Debt Fund
ASSETS						
Cash and certificates of deposit	\$ 134,664	\$ 102,122	\$ 1,030	\$ 3,988	\$ --	\$ 241,804
Prepaid expenditures	34,793	--	--	--	--	34,793
Accounts receivable	407,535	210,576	44,814	--	--	662,925
Restricted cash and certificates of deposit	--	--	--	--	42,377	42,377
Building deposit	--	--	--	38,750	--	38,750
Total Assets	<u>576,992</u>	<u>312,698</u>	<u>45,844</u>	<u>42,738</u>	<u>42,377</u>	<u>1,020,649</u>
DEFERRED OUTFLOWS OF RESOURCES						
Aggregated deferred outflows	--	--	--	--	--	--
Total Assets and Deferred Outflows of Resources	<u>\$ 576,992</u>	<u>\$ 312,698</u>	<u>\$ 45,844</u>	<u>\$ 42,738</u>	<u>\$ 42,377</u>	<u>\$ 1,020,649</u>
LIABILITIES						
Accounts payable	\$ 297,000	\$ --	\$ --	\$ 9,694	\$ --	\$ 306,694
Total Liabilities	<u>297,000</u>	<u>--</u>	<u>--</u>	<u>9,694</u>	<u>--</u>	<u>306,694</u>
DEFERRED INFLOWS OF RESOURCES						
Aggregated deferred inflows	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	<u>297,000</u>	<u>--</u>	<u>--</u>	<u>9,694</u>	<u>--</u>	<u>306,694</u>
FUND BALANCE						
Nonspendable	34,793	--	--	38,750	--	73,543
Restricted	--	--	--	--	42,377	42,377
Assigned	--	312,698	45,844	--	--	358,542
Unassigned	245,199	--	--	(5,706)	--	239,493
Total Fund Balance	<u>279,992</u>	<u>312,698</u>	<u>45,844</u>	<u>33,044</u>	<u>42,377</u>	<u>713,955</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 576,992</u>	<u>\$ 312,698</u>	<u>\$ 45,844</u>	<u>\$ 42,738</u>	<u>\$ 42,376</u>	<u>\$ 1,020,648</u>

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

Total Fund Balance - Governmental Funds	\$	713,955
Accrued interest payable is accrued on Statement of Net Position and expensed on the Statement of Activities. Interest is expensed on a cash basis on the Statement of Revenues, Expenditures, and Changes in Fund Balance.		(14,076)
Compensated absences expensed as paid in governmental fund statements, expensed as incurred in entity wide statements, and reflected as liability on Statement of Net Position.		(29,936)
Fixed assets are capitalized in the Statement of Net Position and depreciated in the Statement of Activities. These are expensed when acquired in the Statement of Revenues, Expenditures, and Changes in Fund Balance.		4,856,991
Long- term debt reflected on Statement of Net Position not in Governmental Funds Balance Sheet.		(783,801)
Pension related changes in net pension liability that is only reported as deferred inflows of resources in the Statement of Net Position.		(253,985)
Pension related changes in net pension liability that is only reported as deferred outflows of resources in the Statement of Net Position.		1,393,884
Net pension liability reflected on the Statement of Net Position not in Governmental Funds Balance Sheet.		(3,174,746)
Total Net Position-Governmental Funds	\$	<u>2,708,286</u>

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

	Special Revenue			Debt Service		Total Governmental Funds
	General	Sales Tax Fund	Gaming Fund	Fire Department Fund	Bonded Debt Fund	
Revenues						
Taxes	\$ 425,419	\$ 1,228,791	\$ --	\$ 140,707	\$ 85,748	\$ 1,880,665
Licenses and permits	197,458	--	--	--	--	197,458
Intergovernmental	720,341	--	--	20,000	--	740,341
Fines and forfeitures	82,869	--	--	--	--	82,869
Miscellaneous	126,719	--	--	--	3	126,722
Gaming	--	--	184,266	--	--	184,266
Interest income	63	11	--	--	34	108
Total Revenues	<u>1,552,869</u>	<u>1,228,802</u>	<u>184,266</u>	<u>160,707</u>	<u>85,785</u>	<u>3,212,429</u>
Expenditures						
Current:						
General government	799,737	--	--	--	--	799,737
Public safety - police	1,209,280	--	--	--	--	1,209,280
Public safety - fire	--	--	--	338,524	--	338,524
Health and recreation	142,035	--	--	--	--	142,035
Public works	386,129	--	--	--	--	386,129
Capital outlays	969,913	--	--	2,370	--	972,283
Debt service:						
Principal retirement	19,295	--	--	33,972	250,000	303,267
Interest and fiscal charges	1,489	--	--	10,624	28,185	40,298
Total Expenditures	<u>3,527,878</u>	<u>--</u>	<u>--</u>	<u>385,490</u>	<u>278,185</u>	<u>4,191,553</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,975,009)</u>	<u>1,228,802</u>	<u>184,266</u>	<u>(224,783)</u>	<u>(192,400)</u>	<u>(979,124)</u>
Other Financing Sources (Uses)						
Insurance proceeds	295,202	--	--	--	--	295,202
Transfers	1,870,704	(1,114,216)	(186,188)	257,889	202,299	1,030,488
Net Other Financing Sources (Uses)	<u>2,165,906</u>	<u>(1,114,216)</u>	<u>(186,188)</u>	<u>257,889</u>	<u>202,299</u>	<u>1,325,690</u>
Net Change in Fund Balance	<u>190,897</u>	<u>114,586</u>	<u>(1,922)</u>	<u>33,106</u>	<u>9,899</u>	<u>346,566</u>
Fund Balance at Beginning of Period	<u>89,095</u>	<u>198,112</u>	<u>47,766</u>	<u>(62)</u>	<u>32,478</u>	<u>367,389</u>
Fund Balance at End of Period	<u>\$ 279,992</u>	<u>\$ 312,698</u>	<u>\$ 45,844</u>	<u>\$ 33,044</u>	<u>\$ 42,377</u>	<u>\$ 713,955</u>

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

Total Net Change in Fund Balances - Governmental Funds	\$ 346,566
Fixed assets expensed as capital outlay in governmental fund statements and capitalized as fixed assets in Statement of Net Position.	972,283
Impairment loss on asset expensed in the entity wide statements and not reflected on the governmental fund statements.	(88,592)
Compensated absences expensed as paid in governmental fund statements, expensed as incurred in entity wide statements, and reflected as liability on Statement of Net Position.	(4,605)
Principal payments on long-term debt expensed in governmental fund statements and treated as reductions of outstanding debt in entity wide	303,267
Depreciation expense reflected in entity wide statements and not reflected in governmental fund statements.	(317,692)
Accrued interest expense included in Statement of Activities and expensed as paid in governmental fund statements.	3,094
Contributions to retirement systems by non-employers	63,778
Pension expense is based on employer contributions in the government funds Statement of Revenues, Expenditures, and Changes in Fund Balances and actuarial calculated expense on the Statement of Activities.	(31,461)
Changes in Net Position-Governmental Funds	\$ <u>1,246,638</u>

City of Oakdale, Louisiana
Statement of Net Position
Proprietary Fund
June 30, 2017 and 2016

	Business-Type Activities - Enterprise Fund	
	2017	2016
ASSETS		
<i>Current Assets:</i>		
Cash and certificates of deposit	\$ 3,974	\$ 2,090
Accounts receivable	309,625	310,891
Total Current Assets	313,599	312,981
<i>Noncurrent Assets:</i>		
Restricted cash and certificates of deposit	90,730	81,598
Land	70,543	70,543
Capital assets, net	7,256,696	7,454,200
Total Noncurrent Assets	7,417,969	7,606,341
Total Assets	7,731,568	7,919,322
DEFERRED OUTFLOWS OF RESOURCES		
Aggregated deferred outflows	--	--
Total Deferred Outflows of Resources	--	--
LIABILITIES		
<i>Current Liabilities:</i>		
Sales taxes payable	5,084	8,549
Accounts payable	72,248	10,283
Accrued interest payable	4,777	5,074
Bonds payable	151,000	150,000
Total Current Liabilities	233,109	173,906
<i>Noncurrent Liabilities:</i>		
Customer deposits payable	83,936	79,038
Bonds payable	2,264,000	2,415,000
Total Noncurrent Liabilities	2,347,936	2,494,038
Total Liabilities	2,581,045	2,667,944
DEFERRED INFLOWS OF RESOURCES		
Aggregated deferred inflows	--	--
Total Deferred Inflows of Resources	--	--
NET POSITION		
<i>Invested in capital assets, net of related debt</i>	4,907,462	4,954,669
<i>Restricted</i>	6,794	2,560
<i>Unrestricted</i>	236,267	294,149
Total Net Position	\$ 5,150,523	\$ 5,251,378

City of Oakdale, Louisiana
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Years Ended June 30, 2017 and 2016

	<u>Business-Type Activities - Enterprise Fund</u>	
	<u>2017</u>	<u>2016</u>
Operating Revenues		
Water department revenues	\$ 1,036,059	\$ 1,039,687
Sewer department revenues	893,380	904,183
Total Operating Revenues	<u>1,929,439</u>	<u>1,943,870</u>
Operating Expenses		
Water department expenses	449,042	404,645
Sewer department expenses	700,174	664,738
Total Operating Expenses	<u>1,149,216</u>	<u>1,069,383</u>
Operating Income (Loss)	<u>780,223</u>	<u>874,487</u>
Non-Operating Revenues (Expenses)		
Capital grants	172,049	-
Interest income	719	724
Interest expense	<u>(23,358)</u>	<u>(24,775)</u>
Net Non-Operating Revenues (Expenses)	<u>149,410</u>	<u>(24,051)</u>
Income Before Contributions and Transfers	929,633	850,436
Transfers	<u>(1,030,488)</u>	<u>(978,578)</u>
Change In Net Position	<u>(100,855)</u>	<u>(128,142)</u>
<i>Net Position at Beginning of Period</i>	5,251,378	5,379,520
Net Position at End of Period	<u>\$ 5,150,523</u>	<u>\$ 5,251,378</u>

See accompanying notes.

CITY OF OAKDALE, LOUISIANA
Statement of Cash Flows -
Proprietary Fund
For the Year Ended June 30, 2017 and 2016

	Business-Type Activities Enterprise Fund	
	2017	2016
Cash flows from operating activities:		
Receipts from customers	\$ 1,935,603	\$ 1,877,200
Payments to suppliers	(540,867)	(530,744)
Payments to employees	(168,691)	(198,272)
Net cash from operating activities	1,226,045	1,148,184
Cash flows from noncapital financing activities:		
Operating transfers	(1,030,488)	(978,578)
Net cash used by noncapital financing activities	(1,030,488)	(978,578)
Cash flows from capital and related financing activities:		
Capital grants	172,049	-
Acquisition of property, plant and equipment	(183,654)	(20,645)
Interest paid on sewer revenue bonds	(23,655)	(25,066)
Principal paid on sewer revenue bonds	(150,000)	(147,000)
Net cash used by capital and related financing activities	(185,260)	(192,711)
Cash flows from investing activities:		
Net proceeds (purchase) of investments	-	-
Interest on investments	719	724
Net cash used by investing activities	719	724
Net increase (decrease) in cash and cash equivalents	11,016	(22,381)
Cash and cash equivalents, beginning of period	83,688	106,069
Cash and cash equivalents, end of period	\$ 94,704	\$ 83,688

See accompanying notes.

CITY OF OAKDALE, LOUISIANA
Statement of Cash Flows - Continued
Proprietary Fund
For the Year Ended June 30, 2017 and 2016

	Business-Type Activities Enterprise Fund	
	2017	2016
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 780,223	\$ 874,487
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	381,158	385,894
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	1,266	(72,608)
Increase (decrease) in accounts payable	58,500	(45,527)
Increase (decrease) in customer deposits payable	4,898	5,938
Net cash provided (used) by operating activities	\$ 1,226,045	\$ 1,148,184

See accompanying notes.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

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 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 information on the City of Oakdale, Louisiana (the primary government). 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.

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.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements

For the Year Ended June 30, 2017

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.

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 Bonded Debt Fund is a debt service fund and is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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:

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements

For the Year Ended June 30, 2017

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 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.

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.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements

For the Year Ended June 30, 2017

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 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.

As of June 30, 2017, the City had deposits (book balances) totaling \$378,885. These deposits are stated at cost, which approximates market. Custodial credit risk is the risk that, in the event of bank failure, the City's deposits may not be returned. 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, 2017, the City has \$386,952 in deposits (collected bank balances). These deposits are all secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal bank.

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 water and sewer user fees in the enterprise fund. The City's ability to collect the amounts due from the users of the City 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 and Improvements	40 years
Equipment and furniture	3-20 years
Water system	20-50 years
Sewer system	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.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

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 \$94,704 which represents unrestricted and restricted amounts of \$3,974 and \$90,730, 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 the proprietary fund is recorded as an expense and liability of that fund as the benefits accrue to employees. 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, 2017, employees of the City have accumulated \$29,936 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 does not meet the definition of a, b, or c above.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

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

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.

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 the one percent (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 any 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 (0.3%) 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.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements

For the Year Ended June 30, 2017

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.

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 28, 2017, the date the financial statements were issued.

19. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Police Employees Retirement System (MPERS), Municipal Employees Retirement System (MERS), the Firefighters' Retirement System (FRS), and Louisiana State Employees Retirement System (LASERS) and additions to/deductions from MPERS's, MERS's, FRS's, and LASERS's fiduciary net position have been determined on the same basis as they are reported by MPERS, MERS, FRS and LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

20. Deferred Outflows/Inflows of Resources

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

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements

For the Year Ended June 30, 2017

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE B - PROPERTY TAXES

For the year ended June 30, 2017, taxes of 15.87 mills were levied on property with assessed valuations totaling \$19,708,720 and were dedicated as follows:

General corporate purposes	6.68 mills with no expiration
Fire protection purposes	5.46 which expires in 2026
Street purposes	3.73 which expires in 2021

Total taxes levied were \$312,777.

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.

NOTE C - RECEIVABLES

Receivables at June 30, 2017, consisted of the following:

General Fund:	
Accrued franchise taxes receivable	\$ 74,146
Insurance proceeds	295,202
Other receivables	5,218
Due from other governments	32,969
Utility system enterprise fund:	
Accounts receivable - customers	309,625
Special revenue funds:	
Sales tax receivable	210,576
Gaming revenue receivable	<u>44,814</u>
Total	<u>\$ 972,550</u>

Note D – CAPITAL ASSETS

	Balance 06/30/16	Additions	Deletions	Balance 06/30/17
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 532,583	\$ -	\$ -	\$ 532,583
Construction in progress	92,038	665,060	757,098	-
Other capital assets:				
Buildings	5,521,745	165,482	-	5,687,227
Vehicles	1,291,661	15,781	25,407	1,282,035
Equipment, furniture and fixtures	1,459,729	125,960	119,488	1,466,201
Improvements other than buildings	478,110	757,098	-	1,235,208
Infrastructure	1,527,400	-	-	1,527,400
Totals	<u>10,903,266</u>	<u>1,729,381</u>	<u>901,993</u>	<u>11,730,654</u>
Less accumulated depreciation:				
Buildings	3,860,194	218,639	-	4,078,833
Vehicles	1,012,016	45,270	25,407	1,031,879
Equipment, furniture and fixtures	1,017,925	76,604	119,488	975,041
Improvements other than buildings	276,635	26,564	-	303,199
Infrastructure	445,505	39,207	-	484,712
Total accumulated depreciation	<u>6,612,275</u>	<u>406,284</u>	<u>144,895</u>	<u>6,873,664</u>
Governmental Activities				
Capital assets, net	<u>\$ 4,290,991</u>	<u>\$ 1,323,097</u>	<u>\$ 757,098</u>	<u>\$ 4,856,990</u>

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

Business-Type Activities:

Capital assets not being depreciated				
Land	\$ 70,543	\$ -	\$ -	\$ 70,543
Other capital assets:				
Water system	4,223,163	34,425	-	4,257,588
Sewer system	<u>12,270,405</u>	<u>149,229</u>	-	<u>12,419,634</u>
Totals	16,564,111	183,654	-	16,747,765
Less accumulated depreciation:				
Water system	2,106,104	105,908	-	2,212,012
Sewer system	<u>6,933,264</u>	<u>275,250</u>	-	<u>7,208,514</u>
Total accumulated depreciation	<u>9,039,368</u>	<u>381,158</u>	-	<u>9,420,526</u>
Business-Type Activities, Capital assets, net	<u>\$ 7,524,743</u>	<u>\$ (197,504)</u>	<u>\$ -</u>	<u>\$ 7,327,239</u>

Depreciation expense for the year ended June 30, 2017 was \$317,692 and \$381,158 for the governmental activities and the business-type activities, respectively.

Depreciation expense was charged to governmental activities as follows:

General government	\$ 96,229
Police	47,884
Fire	42,549
Public Works	82,141
Health and recreation	<u>48,889</u>
Total depreciation expense	317,692
Impairment loss	<u>88,592</u>
Total additions to accumulated depreciation	<u>\$ 406,284</u>

During this fiscal year the City's civic center was damaged by a tornado which resulted in an impairment loss of \$88,592 calculated using the restoration cost approach. In the government wide financial statements this loss was netted against insurance proceeds of \$295,202 and reported as program revenues. The net carrying value was reduced from \$503,365 to \$414,773 through an accumulated depreciation adjustment.

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

Water	\$ 105,908
Sewer	<u>275,250</u>
Total depreciation expense	<u>\$ 381,158</u>

NOTE E - ACCOUNTS PAYABLES

The following is a summary of payables at June 30, 2017:

Class of Payable:	Governmental Activities Funds	Business Activities Funds
Accounts	<u>\$ 306,694</u>	<u>\$ 72,248</u>

NOTE F - PENSION PLANS

Municipal Police Employees Retirement System of Louisiana (MPERS System)

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:

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.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements

For the Year Ended June 30, 2017

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 (www.lampers.org), 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809-7601, 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 29.5% 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, 2017, 2016, and 2015 were \$131,029, \$110,321, and \$124,308, respectively. These amounts are equal to the required contributions for each year.

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

At June 30, 2017, the City reported a liability of \$1,380,803 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. At June 30, 2016 the City's proportion was 0.147320%, which was an increase of 20.4687% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the City recognized pension expense of \$178,049. At June 30, 2017, the City recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 21,965
Net difference between projected and actual earnings on pension plan investments	212,469	-
Changes of assumptions	67,135	83
Changes in proportion	139,753	72,268
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	<u>131,029</u>	<u>-</u>
Total	<u>\$ 550,386</u>	<u>\$ 94,316</u>

The \$131,029 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 59,072
2018	81,033
2019	130,969

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements

For the Year Ended June 30, 2017

2020	53,967
Thereafter	-
Total	<u>\$ 325,041</u>

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	7.5%, net of investment expense	
Expected Remaining Service Lives	4 years	
Inflation rate	2.875%	
Salary increases, including inflation and merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1-2	9.75%
	3-23	4.75%
	24 & Over	4.25%

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

Discount rate. The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5% as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.5% and one percentage point higher 8.5% than the current rate:

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$1,840,730	\$1,380,803	\$994,654

Firefighters' Retirement System of Louisiana (FRS System)

Firefighters of the City are eligible to participate in the Firefighters' 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:

Plan Description. All full-time fire department employees engaged in fire protection are required to participate in the 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, or who have 25 years of service at any age are entitled to annual pension benefits equal to three and one-third percent (3 1/3%) of their average final compensation based on the 36 consecutive of highest pay multiplied by their total years of service. Employees may elect to receive their

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

pension benefits in the form of a joint and/or survivor annuity. If employees terminate before rendering twelve years of service, they forfeit the right to receive a portion of their accumulated plan benefits related to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. Benefit and contribution requirements 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 Firefighters' Retirement System of Louisiana (www.fret.com), PO Box 94095, Capital Station, Baton Rouge, Louisiana 70804-9095, or by calling (225) 925-4060.

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 27.25% of annual covered payroll. City contributions to the System for the years ending June 30, 2017, 2016, and 2015 were \$38,805, \$44,360, and 40,054, respectively. These amounts are equal to the required contributions for each year.

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

At June 30, 2017, the City reported a liability of \$472,234 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. At June 30, 2016 the City's proportion was 0.072197%, which was an increase of 7.3497% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the City recognized pension expense of \$127,989. At June 30, 2017, the City recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 18,693
Changes of assumptions	4,070	132
Changes in proportion	225,296	-
Net difference between projected and actual earnings on pension plan investments	113,494	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	38,805	-
Total	\$ 381,665	\$ 18,825

The \$38,805 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 78,768
2018	78,768
2019	85,897
2020	70,102
2021	7,642
Thereafter	2,858

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

Total \$ 324,035

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	7.5%, net of investment expense
Expected Remaining Service Lives	7 years
Inflation rate	2.875%
Salary increases, including inflation and merit	Varies from 15% in 1 st 2 years of service to 4.75% after 25 years
Cost of Living Adjustments	Only those previously granted

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

Discount rate. The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5% as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.5% and one percentage point higher 8.5% that the current rate:

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$643,380	\$472,234	\$328,303

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, other than police and firefighters, 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 at any age with at least 25 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.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

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 (www.mersla.com), 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 9.50% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The required rate is 19.75% 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, 2017, 2016, and 2015 were \$115,600, \$107,035, and \$117,726, respectively. These amounts are equal to the required contributions for each year.

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

At June 30, 2017, the City reported a liability of \$1,247,738 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. At June 30, 2016 the City's proportion was 0.304422%, which was a decrease of 14.3002% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the City recognized pension expense of (\$11,456). At June 30, 2017, the City recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 39,441
Changes of assumptions	45,420	-
Changes in proportion	-	100,717
Net difference between projected and actual earnings on pension plan investments	284,950	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	<u>115,600</u>	<u>-</u>
Total	<u>\$ 445,970</u>	<u>\$ 140,158</u>

The \$115,600 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 43,334
2018	10,344
2019	92,330
2020	<u>44,204</u>
Total	<u>\$ 190,212</u>

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	7.5%, net of investment expense
Expected Remaining Service Lives	3 years
Inflation rate	2.875%
Projected salary increases	5% (2.875% Inflation, 2.125% Merit)
Cost of living adjustments	Previously granted cost of living adjustments

The mortality rate assumption used was set by combining data from this plan with three other statewide plans which have a similar workforce composition in order to produce credible experience. The aggregated data was collected over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

Discount rate. The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5% as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.5% and one percentage point higher 8.5% that the current rate:

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$1,586,107	\$1,247,738	\$959,005

Louisiana State Employees Retirement System (LASERS System)

The City Court Judge is eligible to participate in the Louisiana State Employees Retirement System (LASERS). 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:

Plan Description. The age and years of service required in order for a member to retire with full benefits are established or amended by state statute and vary depending on the member's hire date, employer, and job classification. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service or at or after age 60 upon completing five to ten to twelve years of creditable service depending on their plan. Additionally members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of their average compensation multiplied by the number of years of creditable service. Average compensation is defined as the member's average annual compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 months of

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death. The System also provides for a deferred retirement option program, death benefits, and disability benefits.

The System issues an annual publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees Retirement System (www.lasersonline.org), PO Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0600.

Funding Policy. Plan members are required by state statute to contribute 11.5% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The required rate is 38.1% 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. 11:401, 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. Since the City Court Judge elected to enter the plan in 2016, the City contributions to the System for the years ending June 30, 2017 and June 30, 2016 was \$6,607 and \$48,926, respectively including catch up contributions. These amounts are equal to the required contributions for each year the City Court Judge elected to participate plus the catch up contributions.

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

At June 30, 2017, the City reported a liability of \$73,971 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. At June 30, 2016 the City's proportion was .00094%, which was a decrease of 10.47619% from its proportion measured as of June 30, 2015. The City did not participate in the years prior to June 30, 2016.

For the year ended June 30, 2017, the City recognized pension expense of \$7,603. At June 30, 2017, the City recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 43	\$ 686
Net difference between projected and actual earnings on pension plan investments	9,213	-
Changes of assumptions	-	-
Changes in proportion	-	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	6,607	-
Total	\$ 15,863	\$ 686

The \$6,607 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

Year ended June 30:	
2017	\$ 1,417
2018	1,374
2019	3,580
2020	2,199
Thereafter	-
Total	<u>\$ 8,570</u>

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	7.75%, net of investment expense
Expected Remaining Service Lives	3 years
Inflation rate	3.0%
Salary increases, including inflation and merit	3% to 5.5% for Judges

The mortality rate assumption for non-disabled members used was set based upon the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2016. The mortality rate assumption for disabled members used was set based upon the RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement. Termination, disability and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members. The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provision for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

Discount rate. The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the same contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75% as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.75% and one percentage point higher 8.75% than the current rate:

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share of the net pension liability	\$90,880	\$73,971	\$59,604

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

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, 2017:

	June 30, 2016	Additions	Deletions	June 30, 2017
Sewer revenue bond	\$ 2,565,000	\$ -	\$ (150,000)	\$ 2,415,000
Revolving loan	537,412	-	(100,000)	437,412
General obligation bonds	145,000	-	(70,000)	75,000
Certificates of indebtedness	80,000	-	(80,000)	-
Capital lease obligations	324,655	-	(53,267)	271,388
Accrued leave benefits	25,331	4,605	-	29,936
	<u>\$ 3,677,398</u>	<u>\$ 4,605</u>	<u>\$ (453,267)</u>	<u>\$ 3,228,736</u>

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 0.95% 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.

\$ 2,415,000

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 (0.5%) 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.

437,412

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.

75,000

Capital Lease Obligations Payable-Governmental:

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

55,407

Capital lease payable, dated 07/02/14, original issue of \$241,072 retired annually on September 15 in installments of \$20,917 with interest at 3.5%, final maturity 09/15/2028, secured by fire-fighting equipment.

201,924

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.

3,949

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.

10,108

Accrued Leave Benefits Payable

29,936

Subtotal – Governmental

813,736

Total

\$ 3,228,736

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

The annual requirements to amortize all debt outstanding as of June 30, 2017, excluding accrued leave benefits payable, including interest payments of \$274,975 are as follows:

Year Ending June 30,	Governmental Activities		Enterprise Activities	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments
2018	\$ 228,340	\$ 29,093	\$ 151,000	\$ 22,225
2019	145,614	20,888	152,000	20,786
2020	136,430	15,159	154,000	19,333
2021	129,737	10,111	155,000	17,865
2022	15,864	5,053	156,000	16,388
2023-2027	88,090	16,494	804,000	59,290
2028-2032	39,725	2,107	843,000	20,183
Totals	<u>\$ 783,800</u>	<u>\$ 98,905</u>	<u>\$ 2,415,000</u>	<u>\$ 176,070</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, 2017 the statutory limit is \$6,898,052.

NOTE H – RESTRICTED ASSETS

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

	Cash and Cash Equivalents
Customers' deposit account - proprietary	\$ 90,730
Debt service accounts - governmental	<u>42,377</u>
Total restricted assets	<u>\$ 133,107</u>

Requirements consisted of the following at June 30, 2017:	Actual	Required	Over (Under)
Bond sinking accounts	\$ 41,289	\$ 172,764	\$(131,475)
Sewer revenue bond reserve account	462	172,744	(172,282)
Sewer revenue bond depreciation and contingency account	625	135,000	(134,375)
Customer deposits – gas and water and sewer	<u>90,731</u>	<u>83,936</u>	<u>6,795</u>
Total restricted assets	<u>\$ 133,107</u>	<u>\$ 564,444</u>	<u>\$(431,337)</u>

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.

NOTE J - 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 \$186,188.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE K - ON-BEHALF PAYMENTS FOR SALARIES

The State of Louisiana pays a portion of the salaries of the City's police officers and firefighters. 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:

Intergovernmental Revenues:	
State-Police	\$ 55,500
State-Firefighters	<u>20,000</u>
Total	<u>\$ 75,500</u>
Expenditures:	
Salaries-Police	\$ 55,500
Salaries-Firefighters	<u>20,000</u>
Total	<u>\$ 75,500</u>

NOTE L – OPERATING TRANSFERS

Operating transfers consisted of the following for the fiscal year ended June 30, 2017:

	<u>Transfers</u> <u>In</u>	<u>Transfers</u> <u>Out</u>
Major funds:		
General fund	\$4,585,229	\$2,714,525
Sales tax fund	401,059	1,515,275
Gaming fund	-	186,188
Fire department	405,491	147,602
Bonded debt	515,688	313,389
Utility fund	<u>992,694</u>	<u>2,023,182</u>
	<u>\$6,900,161</u>	<u>\$6,900,161</u>

Operating transfers are used to move revenues from the fund that is required by statute or budget to collect them to the fund that is required or allowed by statute or budget to expend them. Most of the operating transfers are from the proprietary and sales tax funds into the general fund. The gaming fund transfers are normally used to cover a portion of police salaries and sometimes police capital outlays.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OAKDALE, LOUISIANA
 General Fund
 Budgetary Comparison Schedule
 Year Ended June 30, 2017
 With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Actual	Variance Favorable (Unfavorable)	2016 Actual
	Budget				
	Original	Final			
REVENUES					
Taxes:					
Ad valorem	\$ 131,431	\$ 123,000	\$ 122,036	\$ (964)	\$ 125,661
Public utility franchise	301,416	302,000	273,109	(28,891)	269,750
Housing authority - in lieu of taxes	22,000	22,000	21,275	(725)	21,029
Beer tax	<u>10,292</u>	<u>10,008</u>	<u>8,999</u>	<u>(1,009)</u>	<u>8,896</u>
Total taxes	<u>465,139</u>	<u>457,008</u>	<u>425,419</u>	<u>(31,589)</u>	<u>425,336</u>
Licenses and permits	<u>234,996</u>	<u>209,854</u>	<u>197,458</u>	<u>(12,396)</u>	<u>199,283</u>
Intergovernmental:					
Federal grant	-	-	605,491	605,491	70,683
State of Louisiana -					
State grant	72,000	72,671	86,896	14,225	117,753
Street maintenance	9,450	9,450	9,450	-	9,450
Local grant	-	-	18,504	18,504	16,323
Total intergovernmental	<u>81,450</u>	<u>82,121</u>	<u>720,341</u>	<u>638,220</u>	<u>214,209</u>
Fines and forfeitures:					
Court fines	85,000	75,000	73,603	(1,397)	80,181
Penalties	<u>2,500</u>	<u>10,000</u>	<u>9,266</u>	<u>(734)</u>	<u>12,677</u>
Total fines and forfeitures	<u>87,500</u>	<u>85,000</u>	<u>82,869</u>	<u>(2,131)</u>	<u>92,858</u>
Miscellaneous:					
Interest	300	238	63	(175)	123
Rental income	50,000	65,000	68,100	3,100	67,580
Miscellaneous	<u>50,000</u>	<u>105,000</u>	<u>58,618</u>	<u>(46,382)</u>	<u>211,751</u>
Total miscellaneous	<u>100,300</u>	<u>170,238</u>	<u>126,781</u>	<u>(43,457)</u>	<u>279,454</u>
Total revenues	<u>\$ 969,385</u>	<u>\$ 1,004,221</u>	<u>\$ 1,552,868</u>	<u>\$ 548,647</u>	<u>\$ 1,211,140</u>

CITY OF OAKDALE, LOUISIANA
 General Fund
 Budgetary Comparison Schedule - Continued
 Year Ended June 30, 2017
 With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Actual	Variance Favorable (Unfavorable)	2016 Actual
	Budget				
	Original	Final			
EXPENDITURES					
General government:					
Legislative -					
Salaries	\$ 33,844	\$ 38,800	\$ 39,080	\$ (280)	\$ 32,508
Employee health insurance	5,452	5,800	7,573	(1,773)	5,368
Payroll taxes	2,589	3,200	2,966	234	2,529
Travel and meetings	3,115	1,500	861	639	1,482
Total legislative	<u>45,000</u>	<u>49,300</u>	<u>50,480</u>	<u>(1,180)</u>	<u>41,887</u>
Judicial -					
Salaries	94,871	93,578	96,938	(3,360)	97,269
Retirement	31,901	44,290	29,440	14,850	23,501
Employee health insurance	-	-	22,718	(22,718)	11,184
Operating and maintenance	11,428	7,495	15,065	(7,570)	10,612
Payroll taxes	-	-	2,491	(2,491)	2,762
Total judicial	<u>138,200</u>	<u>145,363</u>	<u>166,652</u>	<u>(21,289)</u>	<u>145,328</u>
Executive -					
Salaries	35,648	40,000	40,130	(130)	33,687
Retirement	6,684	9,000	8,487	513	6,875
Employee health insurance	7,211	7,400	8,753	(1,353)	6,205
Payroll taxes	-	-	578	(578)	501
Travel	1,457	150	29	121	366
Total executive	<u>51,000</u>	<u>56,550</u>	<u>57,977</u>	<u>(1,427)</u>	<u>47,634</u>
Legal -					
Salaries	27,000	27,000	27,225	(225)	20,700
District attorney	18,000	18,000	18,000	-	18,000
Payroll taxes	2,100	2,080	2,066	14	1,721
Total legal	<u>47,100</u>	<u>47,080</u>	<u>47,291</u>	<u>(211)</u>	<u>40,421</u>
Financial administration -					
Salaries	168,450	183,460	183,399	61	190,209
Retirement	41,900	37,500	35,001	2,499	39,739
Employee health insurance	3,600	23,000	29,763	(6,763)	27,141
Payroll taxes	3,983	3,576	3,575	1	5,502
Office and operating supplies	34,000	41,000	41,209	(209)	39,112
Repairs and maintenance	1,500	2,000	1,500	500	5,385
Professional services	50,000	51,000	54,880	(3,880)	48,000
Telephone	7,691	7,000	7,316	(316)	14,584
Travel and meetings	4,570	1,300	1,288	12	252
Printing and advertising	12,381	19,000	17,111	1,889	8,658
Utilities	14,897	13,000	12,902	98	14,751
Insurance	160,000	152,000	57,156	94,844	50,531
Miscellaneous	5,000	5,000	4,974	26	24,642
Rental property	600	3,500	525	2,975	1,150

CITY OF OAKDALE, LOUISIANA
 General Fund
 Budgetary Comparison Schedule - Continued
 Year Ended June 30, 2017
 With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Actual	Variance Favorable (Unfavorable)	2016 Actual
	Budget				
	Original	Final			
Gas, oil, tires, and batteries	1,979	6,202	3,465	2,737	1,105
Tax assessor fees	6,122	7,500	6,202	1,298	6,132
LMA convention	3,850	3,250	3,254	(4)	3,577
Computer maintenance agreement	4,720	525	10,452	(9,927)	5,964
Damage expenses	1,333	3,250	-	3,250	-
Dues and subscriptions	3,061	50	3,365	(3,315)	6,029
Subtotal	<u>529,637</u>	<u>563,113</u>	<u>477,337</u>	<u>85,776</u>	<u>492,463</u>
Capital outlays	-	3,709	11,550	(7,841)	108,588
Total financial admin.	<u>529,637</u>	<u>566,822</u>	<u>488,887</u>	<u>77,935</u>	<u>601,051</u>
Total general government	<u>810,937</u>	<u>865,115</u>	<u>811,287</u>	<u>53,828</u>	<u>876,321</u>
Public Safety - Police					
Salaries	623,817	662,014	717,204	(55,190)	674,249
Retirement	110,857	142,350	141,083	1,267	110,321
Employee health insurance	76,325	80,993	99,688	(18,695)	80,545
Payroll taxes	21,372	26,995	26,995	-	26,031
Office and operating supplies	12,885	26,150	23,740	2,410	17,509
Repairs and maintenance	5,000	4,655	4,655	-	4,406
Telephone	14,000	13,250	13,299	(49)	14,100
Leased vehicles	23,267	23,870	-	23,870	-
Utilities	21,675	18,106	18,106	-	14,589
Insurance	48,000	39,686	99,003	(59,317)	91,209
Uniform expense	5,000	6,173	6,173	-	2,221
Personnel training	5,000	14,495	14,495	-	4,977
Care of prisoners	2,500	732	732	-	5,031
Gas, oil, tires, and batteries	36,302	34,589	38,604	(4,015)	31,476
Miscellaneous	-	1,932	5,503	(3,571)	6,051
Subtotal	<u>1,006,000</u>	<u>1,095,990</u>	<u>1,209,280</u>	<u>(113,290)</u>	<u>1,082,715</u>
Capital outlays	-	25,000	27,061	(2,061)	-
Debt service					
Principal retirement	15,923	15,923	19,295	(3,372)	16,821
Interest	3,262	3,262	1,489	1,773	2,364
Total public safety	<u>1,025,185</u>	<u>1,140,175</u>	<u>1,257,125</u>	<u>(116,950)</u>	<u>1,101,900</u>

CITY OF OAKDALE, LOUISIANA
General Fund
Budgetary Comparison Schedule - Continued
Year Ended June 30, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Actual	Variance Favorable (Unfavorable)	2016 Actual
	Budget				
	Original	Final			
Health and Recreation -					
Salaries	25,060	61,228	59,942	1,286	52,536
Retirement	5,180	350	328	22	3,574
Employee health insurance	5,452	-	-	-	10,288
Payroll taxes	1,055	4,540	4,540	-	3,433
Office and operating supplies	7,000	5,500	5,339	161	6,376
Repairs and maintenance	4,348	6,400	6,322	78	4,204
Utilities	29,447	23,000	25,496	(2,496)	13,527
Insurance	4,800	3,875	8,928	(5,053)	7,091
Coroner	3,000	12,025	12,025	-	2,575
Gas, oil, tires, and batteries	2,300	1,960	1,960	-	2,647
Civic center	-	50	6,092	(6,042)	3,640
Christmas lighting	1,413	1,500	1,096	404	975
Miscellaneous	2,500	3,800	9,967	(6,167)	17,576
Subtotal	91,555	124,228	142,035	(17,807)	128,442
Capital outlays	-	-	-	-	10,750
Total health and recreation	91,555	124,228	142,035	(17,807)	139,192
Public Works -					
Salaries	132,000	150,000	146,150	3,850	120,579
Retirement	21,000	27,000	24,798	2,202	18,883
Employee health insurance	30,000	30,000	38,515	(8,515)	21,473
Payroll taxes	4,000	4,912	4,912	-	3,864
Office and operating supplies	9,000	7,500	7,514	(14)	7,361
Repairs and maintenance	25,000	27,000	37,959	(10,959)	33,863
Utilities	88,000	95,000	94,210	790	104,891
Insurance	12,000	8,700	21,787	(13,087)	16,275
Miscellaneous	17,000	1,400	3,392	(1,992)	4,085
Gas, oil, tires, and batteries	12,000	7,000	6,892	108	9,832
Subtotal	350,000	358,512	386,129	(27,617)	341,106
Capital outlays	-	125,000	931,302	(806,302)	167,224
Total Public Works	350,000	483,512	1,317,431	(833,919)	508,330
Total expenditures	\$ 2,277,677	\$ 2,613,030	\$ 3,527,878	\$ (914,848)	\$ 2,625,743

CITY OF OAKDALE, LOUISIANA
Special Revenue Fund
Sales Tax Fund
Budgetary Comparison Schedule
Year Ended June 30, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017			Variance Favorable (Unfavorable)	2016 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 1,210,000	\$ 1,214,672	\$ 1,256,496	\$ 41,824	\$ 1,211,640
Less: collection fees	(24,200)	(23,644)	(27,705)	(4,061)	(24,239)
Miscellaneous	7	76	11	(65)	16
Total revenues	<u>1,185,807</u>	<u>1,191,104</u>	<u>1,228,802</u>	<u>37,698</u>	<u>1,187,417</u>
Expenditures:					
General government -					
Total expenditures	-	-	-	-	-
Excess of revenues over expenditures	<u>1,185,807</u>	<u>1,191,104</u>	<u>1,228,802</u>	<u>37,698</u>	<u>1,187,417</u>
Other financing uses:					
Operating transfers out	<u>(1,156,407)</u>	<u>(1,153,137)</u>	<u>(1,114,216)</u>	<u>38,921</u>	<u>(1,199,603)</u>
Total other financing uses	<u>(1,156,407)</u>	<u>(1,153,137)</u>	<u>(1,114,216)</u>	<u>38,921</u>	<u>(1,199,603)</u>
Excess (deficit) of revenues over (under) expenditures and other uses	29,400	37,967	114,586	76,619	(12,186)
Fund balance, beginning	<u>198,112</u>	<u>198,112</u>	<u>198,112</u>	-	<u>210,298</u>
Fund balance, ending	<u>\$ 227,512</u>	<u>\$ 236,079</u>	<u>\$ 312,698</u>	<u>\$ 76,619</u>	<u>\$ 198,112</u>

CITY OF OAKDALE, LOUISIANA
Special Revenue Fund
Gaming Revenue Fund
Budgetary Comparison Schedule
Year Ended June 30, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017			Variance Favorable (Unfavorable)	2016 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Intergovernmental					
Gaming	\$ 148,220	\$ 157,877	\$ 184,266	\$ 26,389	\$ 168,748
Interest income	15	15	-	(15)	1
Total revenues	<u>148,235</u>	<u>157,892</u>	<u>184,266</u>	<u>26,374</u>	<u>168,749</u>
Expenditures:					
General government	-	-	-	-	5
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
Excess (deficiency) of revenues over (under) expenditures	148,235	157,892	184,266	26,374	168,744
Other Financing Uses:					
Operating transfers	(160,024)	(170,015)	(186,188)	(16,173)	(158,350)
Total other financing uses	<u>(160,024)</u>	<u>(170,015)</u>	<u>(186,188)</u>	<u>(16,173)</u>	<u>(158,350)</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	(11,789)	(12,123)	(1,922)	10,201	10,394
Fund balance, beginning	47,766	47,766	47,766	-	37,372
Fund balance, ending	<u>\$ 35,977</u>	<u>\$ 35,643</u>	<u>\$ 45,844</u>	<u>\$ 10,201</u>	<u>\$ 47,766</u>

CITY OF OAKDALE, LOUISIANA
Special Revenue Fund
Fire Department Fund
Budgetary Comparison Schedule
Year Ended June 30, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017			Variance Favorable (Unfavorable)	2016 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes -					
Ad valorem taxes	\$ 104,353	\$ 106,878	\$ 102,317	\$ (4,561)	\$ 102,317
Fire insurance tax	30,950	31,750	38,390	6,640	32,037
Intergovernmental - state	-	-	20,000	20,000	24,000
Total Revenues	<u>135,303</u>	<u>138,628</u>	<u>160,707</u>	<u>22,079</u>	<u>158,354</u>
Expenditures:					
Current					
Public safety -					
Salaries	117,350	170,000	181,030	(11,030)	176,143
Fringe benefits	63,200	71,000	73,876	(2,876)	80,783
Office and operating supplies	8,000	7,000	10,281	(3,281)	5,668
Repairs and maintenance	15,000	10,000	16,885	(6,885)	13,473
Telephone and utilities	12,000	11,000	14,844	(3,844)	9,639
Insurance	23,555	12,000	23,876	(11,876)	23,778
Gas, oil, tires, and batteries	5,000	7,000	6,024	976	5,103
Miscellaneous	-	1,500	4,600	(3,100)	967
Uniforms	2,300	-	6,859	(6,859)	-
Training	2,000	250	249	1	-
Capital outlays	-	49,000	2,370	46,630	7,750
Debt service -					
Principal retirement	31,353	31,353	33,972	(2,619)	32,731
Interest	5,064	5,064	10,624	(5,560)	11,707
Total Expenditures	<u>284,822</u>	<u>375,167</u>	<u>385,490</u>	<u>(10,323)</u>	<u>367,742</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(149,519)</u>	<u>(236,539)</u>	<u>(224,783)</u>	<u>11,756</u>	<u>(209,388)</u>
Other financing sources:					
Operating transfers	<u>150,900</u>	<u>130,855</u>	<u>257,889</u>	<u>127,034</u>	<u>191,944</u>
Total other financing sources	<u>150,900</u>	<u>130,855</u>	<u>257,889</u>	<u>127,034</u>	<u>191,944</u>
Excess (deficiency) of revenues and other sources over (under) expenditures	1,381	(105,684)	33,106	138,790	(17,444)
Fund balance, beginning	<u>(62)</u>	<u>(62)</u>	<u>(62)</u>	<u>-</u>	<u>17,382</u>
Fund balance, ending	<u>\$ 1,319</u>	<u>\$ (105,746)</u>	<u>\$ 33,044</u>	<u>\$ 138,790</u>	<u>\$ (62)</u>

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

CITY OF OAKDALE, LOUISIANA
General Fund

Schedule of City's Proportionate Share of
Net Pension Liability
Municipal Police Employee Retirement System (MPERS)

Last 10 Fiscal Years

Fiscal Year Ended June 30:	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
City's proportion of the net pension liability (asset)	.147320%	.122289%	.136625%	.144874%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
City's proportionate share of the net pension liability (asset)	\$1,380,803	\$958,006	\$854,737	\$1,157,316	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
City's covered-employee payroll	\$373,969	\$394,627	\$387,367	\$491,570	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	334.59%	256.17%	216.59%	298.76%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	66.04%	70.73%	75.10%	66.71%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable

CITY OF OAKDALE, LOUISIANA
 General Fund
 Schedule of City's Proportionate Share of
 Net Pension Liability
 Municipal Employee Retirement System (MERS) – Plan A
 Last 10 Fiscal Years

Fiscal Year Ended June 30:	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
City's proportion of the net pension liability (asset)	.304422%	.355219%	.355441%	.492511%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
City's proportionate share of the net pension liability (asset)	\$1,247,738	\$1,268,898	\$912,220	\$1,526,494	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
City's covered-employee payroll	\$541,947	\$596,083	\$612,943	\$800,106	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	245.55%	234.14%	153.04%	249.04%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	62.11%	66.18%	73.99%	67.97%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable

CITY OF OAKDALE, LOUISIANA
 General Fund
 Schedule of City's Proportionate Share of
 Net Pension Liability
 Firefighters' Retirement System (FRS)

Last 10 Fiscal Years

Fiscal Year Ended June 30:	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
City's proportion of the net pension liability (asset)	.072197%	.067254%	.058989%	0.00%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
City's proportionate share of the net pension liability (asset)	\$472,234	\$362,977	\$262,496	\$ 0	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
City's covered-employee payroll	\$133,682	\$162,787	\$136,935	\$ 0	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	307.28%	222.98%	191.69%	0.00%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	68.15%	72.45%	76.02%	0.00%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable

CITY OF OAKDALE, LOUISIANA
 General Fund
 Schedule of City's Proportionate Share of
 Net Pension Liability
 Louisiana State Employee Retirement System (LASERS)

Last 10 Fiscal Years

Fiscal Year Ended June 30:	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
City's proportion of the net pension liability (asset)	.00094%	.00105%	Unavailable							
City's proportionate share of the net pension liability (asset)	\$73,971	\$71,484	Unavailable							
City's covered-employee payroll	\$17,388	\$16,692	Unavailable							
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	425.41%	428.25%	Unavailable							
Plan fiduciary net position as a percentage of the total pension liability	57.73%	62.66%	Unavailable							

CITY OF OAKDALE, LOUISIANA
General Fund
Schedule of City's Contributions

Municipal Police Employee Retirement System (MPERS)

Last 10 Fiscal Years

Fiscal Year Ended June 30:	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$131,029	\$110,321	\$ 124,308	\$ 113,358	\$ 152,50	\$ 122,731	Unavailable	Unavailable	Unavailable	Unavailable
Contributions in relation to the contractually required contribution	<u>(131,029)</u>	<u>(110,321)</u>	<u>(124,308)</u>	<u>(113,358)</u>	<u>(152,504)</u>	<u>(122,731)</u>	Unavailable	Unavailable	Unavailable	Unavailable
Contribution deficiency (excess)	<u>\$ _____</u>	Unavailable	Unavailable	Unavailable	Unavailable					
City's covered-employee payroll	\$412,690	\$373,969	\$394,627	\$387,367	\$491,570	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Contribution as a percentage of cover-employee payroll	31.75%	29.50%	31.5%	29.26%	31.02%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable

CITY OF OAKDALE, LOUISIANA
General Fund
Schedule of City's Contributions

Municipal Employee Retirement System (MERS) – Plan A

Last 10 Fiscal Years

Fiscal Year Ended June 30:	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$115,600	\$107,035	\$117,726	\$117,359	\$136,012	\$120,815	Unavailable	Unavailable	Unavailable	Unavailable
Contributions in relation to the contractually required contribution	<u>(115,600)</u>	<u>(107,035)</u>	<u>(117,726)</u>	<u>(117,359)</u>	<u>(136,012)</u>	<u>(120,815)</u>	Unavailable	Unavailable	Unavailable	Unavailable
Contribution deficiency (excess)	<u>\$ -</u>	Unavailable	Unavailable	Unavailable	Unavailable					
City's covered-employee payroll	\$508,133	\$541,947	\$596,082	\$612,943	\$800,106	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Contribution as a percentage of cover-employee payroll	22.75%	19.75%	19.75%	19.15%	17.00%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable

CITY OF OAKDALE, LOUISIANA
General Fund
Schedule of City's Contributions

Firefighters' Retirement System (FRS)

Last 10 Fiscal Years

Fiscal Year Ended June 30:	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$38,805	\$44,360	\$ 40,054	\$ 33,339	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Contributions in relation to the contractually required contribution	<u>(38,805)</u>	<u>(44,360)</u>	<u>(40,054)</u>	<u>(33,339)</u>	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
City's covered-employee payroll	\$153,682	\$162,787	\$136,935	\$132,173	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Contribution as a percentage of cover-employee payroll	25.25%	27.25%	29.25%	25.22%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable

CITY OF OAKDALE, LOUISIANA
General Fund
Schedule of City's Contributions

Louisiana State Employee Retirement System (LASERS)

Last 10 Fiscal Years

Fiscal Year Ended June 30:	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$6,607	\$6,360	Unavailable							
Contributions in relation to the contractually required contribution	(6,607)	(6,360)	Unavailable							
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	Unavailable							
City's covered-employee payroll	\$17,388	\$16,692	Unavailable							
Contribution as a percentage of cover-employee payroll	38.00%	38.10%	Unavailable							

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

CITY OF OAKDALE, LOUISIANA
General Fund

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

MPERS, MERS, FRS, and LASERS

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

Changes in Proportion. Changes in employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using a straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plans.

OTHER SUPPLEMENTARY INFORMATION

CITY OF OAKDALE, LOUISIANA
Proprietary Fund
Statement of Operating Expenses by Department
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Water department:		
Salaries	\$ 48,325	\$ 61,500
Fringe benefits	9,416	21,307
Supplies	54,520	51,632
Repairs and maintenance	57,812	32,198
Auto and truck expenses	5,198	5,219
Utilities	150,697	111,479
Insurance	11,616	10,570
Other	5,550	4,504
Depreciation	<u>105,908</u>	<u>106,236</u>
Total water department	<u>449,042</u>	<u>404,645</u>
Sewer department:		
Salaries	79,515	83,743
Fringe benefits	31,435	31,722
Supplies	83,592	47,742
Repairs and maintenance	67,459	32,138
Auto and truck expenses	8,010	10,428
Utilities	132,384	158,590
Insurance	9,059	9,034
Other	13,470	11,683
Depreciation	<u>275,250</u>	<u>279,658</u>
Total sewer department	<u>700,174</u>	<u>664,738</u>
Total operating expenses	<u>\$1,149,216</u>	<u>\$1,069,383</u>

CITY OF OAKDALE, LOUISIANA

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

Number of Customers
Water and Sewer

Metered or estimated:

July, 2016	2098
August, 2016	2087
September, 2016	2094
October, 2016	2091
November, 2016	2095
December, 2016	2091
January, 2017	2079
February, 2017	2086
March, 2017	2191
April, 2017	2092
May, 2017	2085
June, 2017	2092

CITY OF OAKDALE, LOUISIANA
 Schedule of Insurance in Force
 (Unaudited)
 June 30, 2017

Description of Coverage	Coverage Amounts
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	5,328,700
Contents	971,685
Comprehensive liability and collision:	
Fire equipment	1,000,000

CITY OF OAKDALE, LOUISIANA
Schedule of Compensation Paid to Mayor and Council Members
Year Ended June 30, 2017

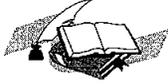
Gene Paul - Mayor	\$ 39,878
Gwen Alsbury	3,000
George Ashy	9,000
Ralph Stapleton	8,400
Frederick Douglas	7,200
Ervin Willis	7,200
Cassandra Allison	<u>4,200</u>
Total Compensation Paid to Mayor and Council Members	<u>\$ 78,878</u>

CITY OF OAKDALE, LOUISIANA
Schedule of Compensation, Benefits and Other Payments to
Chief Executive Officer
For The Year Ended June 30, 2017

Chief Executive Officer: Gene Paul, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$39,878
Benefits-insurance	6,585
Benefits-retirement	8,992
Benefits-cell phone	1,154
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	192
Reimbursements	664
Travel	-0-
Registration fees	200
Conference travel	378
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	579

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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 28, 2017

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, 2017, 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 28, 2017.

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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as Item 2017-4 I/C that we consider to be significant deficiency.

Honorable Gene Paul, Mayor
and the City Council
City of Oakdale, Louisiana
December 28, 2017
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 Standards* and which are described in the accompanying schedule of findings and responses as Items 2017-1 C, 2017-2 C, and 2017-3 C.

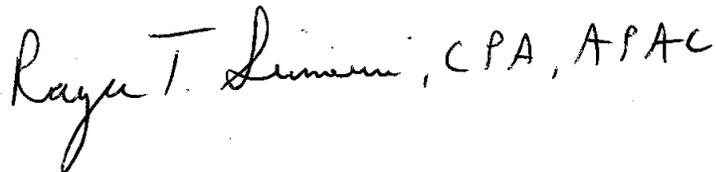
City of Oakdale, Louisiana's Response to Findings

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

A handwritten signature in black ink that reads "Royce T. Scimemi, CPA, APAC". The signature is written in a cursive style with a horizontal line above the first name.

CITY OF OAKDALE, LOUISIANA
Schedule of Findings and Responses
Year Ended June 30, 2017

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

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

Findings – Financial Statement Audit

Finding #2017-1 C:

Louisiana Public Bid Law Compliance

Criteria: The City purchased a \$14,400 tractor, \$16,707 in motors, and \$10,648 in chlorinating equipment that may not have been in compliance with the Louisiana Public Bid Law, under which the City was required to have documentation of 3 phone or facsimile quotes on each of these purchases. No documentation of such quotes were provided on these purchases.

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

Effect: Possible violation of the Louisiana Public Bid Law.

Recommendation: The City Clerk should monitor large purchases to ensure compliance with the Louisiana Public Bid Law and adequate documentation of such compliance.

Response: See Corrective Action Plan

Finding #2017-2 C:

Reserve Fund Requirements on Sewer Revenue Bond Issue

Condition: As of June 30, 2017, the City has not been funding the required reserve accounts in accordance with the Sewer Revenue Bond Agreement associated with its Sewer Revenue Bond Issue. This was a prior year finding.

Criteria: Certain amounts are required under the Sewer Revenue Bond Agreement 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

CITY OF OAKDALE, LOUISIANA
Schedule of Findings and Responses
Year Ended June 30, 2017

Finding #2017-3 C:

Local Governmental Budget Act Compliance

Criteria: The actual expenditures in the general fund exceeded budgeted amounts by more than 5%.

Cause: Significant capital outlays were not considered during the budget process.

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

Recommendation: Closely monitor departmental budgets and annualize interim expenditures in calculating original and amended budgets. This was a prior year finding.

Response: See Corrective Action Plan

Finding #2017-4 I/C:

Collection Procedures for Delinquent Utility Accounts Receivable

Criteria: Significant numbers of utility customer accounts had seriously delinquent account balances.

Cause: Insufficient collection procedures.

Effect: Cash flow not available for current operations.

Recommendation: Management should institute procedures to ensure that utility services are cut-off if balances are not maintained current. If customers fail to comply with agreed-upon installment arrangements, utility services should be cut-off. If either of the above-mentioned procedures fail to adequately remedy the delinquent balance issue, further collection actions should be considered like employing a collection agency.

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, 2017

Finding #2017-1 C:

Louisiana Public Bid Law Compliance

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

Finding #2017-2 C:

Reserve Fund Requirements on Sewer Revenue Bond Issue

The City is current with all of its debt service payments. If funds become available, the City will make the required reserve payments.

Finding #2017-3 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 #2017-4 I/C:

Collection Procedures for Delinquent Utility Accounts Receivable

The City will monitor accounts receivable collection procedures to ensure services are cut-off when customers fail to make payments of their balances in a timely fashion.

CITY OF OAKDALE, LOUISIANA
Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2016

Finding #2016-1 I/C & C:

Article 7, Section 14 of the 1974 Louisiana Constitution

The responsible payroll personnel have been terminated and she has pled guilty to theft. Tighter internal controls and oversight over the payroll processing have been initiated by the City Clerk.

Finding #2016-2 C:

Reserve Fund Requirements on Sewer Revenue Bond Issue

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

Finding #2016-3 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 #2016-4 C:

Delinquent Payroll Taxes

The City has filed all payroll tax returns due and paid all required taxes, penalties, and interest due through the date of this report.



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Gene Paul, Mayor
December 28, 2017
and the City Council
City of Oakdale, Louisiana

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the City's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the City does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
All addressed without exception.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4)

controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

All addressed without exception.

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

All addressed without exception.

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

All addressed without exception.

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

The police and other employee policy manuals were provided and all addressed without exception.

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

All addressed without exception.

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

All addressed without exception.

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

All addressed without exception.

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the City's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

All addressed without exception.

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

No policy was provided and no debt was incurred during the current fiscal year (Exception).

Council (or Finance Committee, if applicable)

2. Obtain and review the council minutes for the fiscal period, and:

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

The minutes reflected that the managing council met monthly in accordance with enabling legislation without exception.

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

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

Monthly income statements with budgetary comparisons and variances were provided to the Council and Mayor by handout. This action was recorded in the minutes without exception. There were no funds that reflected deficit spending during the fiscal period.

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

At meetings on July 7, 2016, November 3, 2016, February 2, 2017, April 6, 2017, and June 1, 2017 approval of contracts to be signed by Mayor were discussed and acted on.

Bank Reconciliations

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

The listing was provided by management.

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

- a) Bank reconciliations have been prepared;

Each bank account selected was reconciled without exception. However, for each bank account selected, the only bank reconciliations that were printed and retained were for June 2017 (Exception).

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

The bank reconciliations were not printed and retained at the time of reconciling except for June 2017. There was no documentation that a member of management or a council member with no involvement in the transactions associated with the bank account approved the reconciliations on those printed and retained (Exception).

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

Management informed us that all outstanding transactions over six months have been researched. Without printed and retained bank reconciliations for interim months, there was no documentation reflecting any researched checks outstanding for more than six months. However, there were no outstanding transactions older than six months on the June 2017 bank reconciliations.

Collections

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

The listing was provided by management.

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

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

Each person responsible for handling cash is bonded. One employee that does not collect cash is responsible for bringing the deposits to the bank. Each person responsible for collecting cash is also recording the transaction through an integrated cash collection/accounting system (Exception). Another employee that does not collect cash is responsible for reconciling the bank accounts. One of the responsible employees is responsible for balancing the drawers including her own. She balances it in front of the Mayor (Compensating Control) and is also the person responsible for

preparing the deposit slips (Exception). None of the employees are required to share the same cash register or drawer with any of the other employees.

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

The City has a formal process to reconcile cash collections to the general ledger by revenue source. This reconciliation is done by an employee who is not responsible for cash collections.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using City collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

All deposits were made within one day except for the money collected on Friday. Friday's money was not deposited until the following Monday (Exception). The Friday's deposit is kept in a locked safe in the Mayor's office until it is brought to the bank on Monday morning (Compensating Control).

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

No evidence of exceptions was found during the testing.

- 7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the City has a process specifically defined (identified as such by the City) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

The City's policies include some of the processes specifically defined to determine completeness of all collections from each revenue source but they are generally performed by persons who are also responsible for collections (Exception).

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

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

The general ledgers, that were sortable, were provided by management.

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

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

A purchase order system was used for non-recurring purchases of products that were delivered to the City. Three transactions tested had purchase orders prepared by a purchase order system that separates initiation from approval functions. Twelve of the transactions tested were either recurring or there were no products delivered and a purchase order was not obtained or appropriate. Ten transactions tested were non-recurring transactions that had payments that were processed without a purchase order system that separates initiation from approval functions (Exception).

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

Three transactions tested had purchase orders prepared by someone that did not initiate the transaction. Twelve of the transactions tested were either recurring or there were no products delivered and a purchase order was not obtained or required. Ten transactions tested did not have purchase orders prepared by someone that did not initiate the transaction (Exception).

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

Eleven of the transactions tested were processed with comparison of purchase order with receiving report and vendor's invoice without exception. Seven of the transactions tested were processed without comparison of purchase order with receiving report and vendor's invoice (Exception). Seven of the transactions tested were either recurring or there were no products delivered and a purchase order was not obtained or required.

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

The accounts payable clerk has the authority to process payments and add vendors to the City's system (Exception).

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

The City Clerk has signatory authority, authorizes disbursements, and initiates and records purchases (Exception).

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

The City's checks are printed on blank check stock that is not in a locked location (Exception) and the City Clerk, who has signatory authority, has access to them (Exception).

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

The City Clerk has a signature stamp in a locked location under the City Clerk's control.

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

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

The listing was provided by management.

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

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

card purchases) and:

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

The City has two cards with multiple authorized users on each. On the month tested for one of the cards, supporting documentation was reviewed, and approved, in writing by someone other than the authorized card holder without exception. On the month tested for the other card, supporting documentation was not reviewed, and approved, in writing by someone other than the authorized card holder (Exception).

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

No finance charges and/or late fees were assessed on the month tested for either of the two cards.

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

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

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

Each transaction was supported by an original itemized receipt. One of the cards is a fuel card and the City's policy is to have one fuel card per vehicle and authorized users have their own pin numbers to identify the user making the purchase. The fuel card usage requires the posting of odometer readings for each use. On some of the readings, the ending mileage did not correlate with the beginning mileage on the same vehicle for the following month (Exception). This can be caused by cards being placed in different vehicles instead of remaining in one vehicle.

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

Documentation of business/public purpose was provided without exception.

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

All documentation appeared to be in order with the exception of the fuel card mileage.

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

No transactions that were tested reflected failures to comply with the City's written policies, nor were any \$10,000 or more requiring compliance with the Louisiana Public Bid Law.

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

No evidence of noncompliance or exceptions noted in the transactions tested.

Travel and Expense Reimbursement

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

Management provided the requisite list.

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

The City's policy is to reimburse employees at current GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
 - a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the City does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

For the transactions tested, the City utilized the appropriate GSA rates for all mileage and most of the meal per diem reimbursements. However, in two instances the per diem lodging rates, which are much higher than per diem meal rates, were utilized for meal per diem reimbursements (Exception).

- b) Report whether each expense is supported by:

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

Itemized receipts were provided for all expenses tested that identified what was purchased. Per diem amounts reimbursements were based on the established per diem policy with only the exception noted in a) above.

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

Each expense was supported by documentation of business purpose without exception.

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

Documentation in accordance with written policies was provided without exception.

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

The City's documentation of business/public purpose for tested expenses appeared to comply with the requirements of Article 7, Section 14 of the Louisiana Constitution without exception.

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

Each expense tested was supported by documentation of review and approval in writing by someone other than the traveler without exception.

Contracts

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

Management provided the listing.

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

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

One of the five contracts tested was for the purchase of electricity provided to the City by a monopoly vendor and no contract was provided. One of the five contracts tested was for the emergency repair of a City building damaged by a storm and no contract was provided. The other three contracts tested were provided that supported the amount paid without exception.

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

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

One of the contracts was subject to the Louisiana Public Bid Law and was in compliance with all legal requirements. The other four contracts were not subject to the Louisiana Public Bid Law or Procurement Code.

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

Two of the four contracts not subject to the Louisiana Public Bid Law were long standing contracts that were not for materials and supplies or public works. The two contracts not subject to the Louisiana Public Bid Law were for services or less than the limits that contracts are required to be publicly bid. No solicited quotes were obtained on any of the four contracts (Exception).

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

Two of the contracts were amended with small change orders in the amounts of \$3,332.59 and (\$3,849.00) and the associated contract terms contemplated such changes based on City preferences.

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

The largest payments from each of the five contracts were in compliance with the terms and conditions of the contracts.

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

Documentation provided reflected approval by the council of two of the five contracts out of the five tested (Exception).

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

The listing was provided by management.

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

Three of the selected employees were paid in strict accordance with the approved pay rate structure provided in the employee personnel files. Two of the selected employees did not have pay rate documentation contained in their personnel file (Exception).

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

For the five employees selected, two employees had changes to their hourly pay rate/salaries during the year tested. Only one of the two employees had documentation of approval of a pay rate change in their personnel file (Exception).

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

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

All employees tested had documentation of daily attendance and leave except one (Exception). The timecard for this employee was not available for the pay period selected.

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

There was written documentation that supervisors approved attendance and leave for twenty-three of the twenty-five employees tested. There was one instance for one employee where there was no proof of supervisor's approval of attendance (Exception). There was one instance for one employee where there was no proof of supervisor's approval of leave (Exception).

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

The City maintained written leave records reflecting hours earned, hours used, and balance available at fiscal year-end without exception for the selected employees/officials eligible for leave.

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

The listing was provided by management. Two employees were terminated during the fiscal year. The termination payment made for one employee was made in strict accordance with the policy and/or contract. The other employee tested was erroneously paid \$278.64 in excess of the policy and/or contracted amount available (Exception).

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

Documentation reflected that all payroll tax return/reports were timely filed and all payroll taxes were timely paid for the fiscal year without exception. However, the retirement reports and payments were delinquent on four occasions (Exception). Both termination payments were approved by management.

Ethics

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

Four of the five employees selected for testing obtained documentation of completion of the required one-hour ethics training on the Code of Governmental Ethics as required by Louisiana Revised Statute 42:1170 (3)(a)(i). One of the five employees selected for testing did not complete the required ethics training on the Code of Governmental Ethics as required by Louisiana Revised Statute 42:1170 (3)(a)(i). (Exception)

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

Management was not notified of any alleged or actual ethics violations during the fiscal period.

Debt Service

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

No debt was issued during the fiscal period.

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

The City has made the scheduled debt service payments timely. The City was unable to maintain funding of the required debt reserves (Exception).

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

The City's tax millage collections (\$85,748) related to debt service payments exceeded its debt service (\$74,818) by 15% (\$10,930) (Exception). However, only \$73,516 was assessed during the fiscal year ended June 30, 2017.

Other

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

Management informed us that the City did not have any misappropriation of public funds or assets during the fiscal year.

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

The City did not have the required notice posted in a conspicuous place upon its premises or its website (Exception).

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

The practitioner did not observe or otherwise identify any exceptions regarding management's representations in the procedures above.

We were not engaged to and did not conduct an examination or review, the objective of which would be the

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Honorable Gene Paul, Mayor and the City Council
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expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Royce T. Scimemi, CPA, APAC

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