

CITY OF RAYNE, LOUISIANA

Financial Report

Year Ended September 30, 2018

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THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Charles E. Robichaux, Mayor
And the Board of Alderman
City of Rayne, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 financial statements.

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

The Honorable Charles E. Robichaux, Mayor
And the Board of Alderman
City of Rayne, Louisiana

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information

The financial statements referred to above do not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units that would have been reported is unknown.

Adverse Opinion

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the City of Rayne, the reporting entity, as of September 30, 2018, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the City of Rayne, Louisiana as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions – The Primary Government

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of employer OPEB contributions, Schedule of changes in net OPEB liability and related ratios, schedule of employer's proportionate share of net pension liability, schedule of employer contributions and notes to employer's proportionate share of net pension liability and schedule of employer contributions on pages 52 through 59 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.

The Honorable Charles E. Robichaux, Mayor
And the Board of Alderman
City of Rayne, Louisiana

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rayne's financial statements as a whole. The other supplementary information on pages 61 through 80 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information, except for the portion marked "unaudited" (page 78) on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 28, 2019, on our consideration of the City of Rayne, 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 the 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 Rayne, Louisiana's internal control over financial reporting and compliance.

Thibodeaux Accounting Company
A Limited Liability Company

Rayne, Louisiana
March 28, 2019

Basic Financial Statements

**Government - Wide
Financial Statements (GWFS)**

CITY OF RAYNE, LOUISIANA
STATEMENT OF NET POSITION
For the Year Ended September 30, 2018

	<u>PRIMARY GOVERNMENT</u>		<u>TOTAL</u>
	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	
ASSETS			
Current Assets			
Cash and interest bearing deposits	\$ 2,359,325	\$ 1,611,583	\$ 3,970,908
Receivables	221,135	1,154,723	1,375,858
Internal balances	-	396	396
Due from governmental units	-	-	-
Prepaid items	-	69,849	69,849
Other	-	10,000	10,000
Inventory	-	235,400	235,400
Total Current Assets	<u>\$ 2,580,460</u>	<u>\$ 3,081,951</u>	<u>\$ 5,662,411</u>
Noncurrent Assets			
Restricted assets	\$ 274,143	\$ 516,166	790,309
Capital assets (net)	5,580,193	9,133,042	14,713,235
Construction in progress	-	-	-
Total Noncurrent Assets	<u>\$ 5,854,336</u>	<u>\$ 9,649,208</u>	<u>\$ 15,503,544</u>
TOTAL ASSETS	<u>\$ 8,434,796</u>	<u>\$ 12,731,159</u>	<u>\$ 21,165,955</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow of resources related to pensions	\$ 556,649	\$ 426,547	\$ 983,196
LIABILITIES			
Current Liabilities			
Accounts, salaries, and other payments	\$ 377,216	\$ 647,408	\$ 1,024,624
Bonds payable	-	108,000	108,000
Deferred revenues	-	-	-
Internal balances	360	35	395
Current lease payable	-	754	754
Other current liabilities	20,845	-	20,845
Total Current Liabilities	<u>\$ 398,421</u>	<u>\$ 756,197</u>	<u>\$ 1,154,618</u>
Noncurrent Liabilities			
Compensated absences	\$ 153,139	\$ 253,981	407,120
Net OPEB obligation	6,845,665	-	6,845,665
Customer deposits	-	360,920	360,920
Bonds payable	-	336,952	336,952
Net pension liability	4,041,086	1,375,383	5,416,469
Total Noncurrent Liabilities	<u>\$ 11,039,890</u>	<u>\$ 2,327,236</u>	<u>\$ 13,367,126</u>
TOTAL LIABILITIES	<u>\$ 11,438,311</u>	<u>\$ 3,083,433</u>	<u>\$ 14,521,744</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	\$ 181,017	\$ 187,402	\$ 368,419
NET POSITION			
Invested in capital assets, net of related debt	\$ 5,580,193	\$ 9,133,042	\$ 14,713,235
Restricted for:			
Debt service	-	1,036	1,036
Customer deposits	-	360,920	360,920
Other purposes	108,599	-	108,599
Unrestricted	<u>(8,316,675)</u>	<u>391,873</u>	<u>(7,924,802)</u>
TOTAL NET POSITION	<u>\$ (2,627,883)</u>	<u>\$ 9,886,871</u>	<u>\$ 7,258,988</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes of Primary Government		Total
	Operating				Governmental Activities	Business-type Activities	
	Expenses	Charges for Services	Grants and Contributions	Capital Grants & Contributions			
Government Activities:							
General government	\$ 2,574,647	\$ 316,549	\$ 21,353	\$ -	\$ (2,236,745)	\$ -	\$ (2,236,745)
Public safety	1,968,297	191,015	8,488	-	(1,768,794)	-	(1,768,794)
Public works	1,255,493	-	-	-	(1,255,493)	-	(1,255,493)
Storm related expenses	-	-	-	-	-	-	-
Cultural and recreation	646,256	171,977	534,738	-	60,459	-	60,459
Community development	443,805	-	-	-	(443,805)	-	(443,805)
Interest on long-term debt	-	-	-	-	-	-	-
Total government activities	<u>\$ 6,888,498</u>	<u>\$ 679,541</u>	<u>\$ 564,579</u>	<u>\$ -</u>	<u>\$ (5,644,378)</u>	<u>\$ -</u>	<u>\$ (5,644,378)</u>
Business-type activities							
City water and lights	\$ 9,020,922	\$ 9,817,544	\$ -	\$ -	-	\$ 796,622	\$ 796,622
Sewerage	824,773	833,127	-	-	-	8,354	8,354
Storm related expenses	-	-	-	-	-	-	-
Interest on long-term debt	11,748	-	-	-	-	(11,748)	(11,748)
Total business-type activities	<u>\$ 9,857,443</u>	<u>\$ 10,650,671</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 793,228</u>	<u>\$ 793,228</u>
Total Primary Government	<u>\$ 16,745,941</u>	<u>\$ 11,330,212</u>	<u>\$ 564,579</u>	<u>\$ -</u>	<u>\$ (5,644,378)</u>	<u>\$ 793,228</u>	<u>\$ (4,851,150)</u>
General Revenues and Transfers:							
Property taxes levied for general purpose					\$ 230,956	\$ -	\$ 230,956
Property taxes levied for youth recreation					162,641	-	162,641
Sales taxes levied for general purposes - Beer & Sales					2,320,315	-	2,320,315
Franchise taxes					92,513	-	92,513
Gaming revenues					314,407	-	314,407
Grants and contributions not restricted to specific programs					-	-	-
Investment earnings					3,039	2,603	5,642
Other general revenues					296,719	4,577	301,296
Transfers					1,200,000	(1,200,000)	-
Total General Revenues and Transfers					<u>\$ 4,620,590</u>	<u>\$ (1,192,820)</u>	<u>\$ 3,427,770</u>
Change in Net Position					(1,023,788)	(399,592)	(1,423,380)
Prior Period Adjustment					-	-	-
Net position-beginning of year, restated					(1,604,095)	10,286,463	8,682,368
Net position-ending					<u>\$ (2,627,883)</u>	<u>\$ 9,886,871</u>	<u>\$ 7,258,988</u>

The accompanying notes are an integral part of this statement.

Fund Financial Statements (FFS)

Major Fund Descriptions

General Fund

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Sales Tax Fund

To account for the collection and disbursement of the City's two percent (2%) sales and use tax.

City, Water and Light Plant Fund (Utility Fund)

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

Sewer Fund

To account for the provision of wastewater treatment services to the residents of the City and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administrative maintenance, financing and related debt service, and billing and collection.

CITY OF RAYNE, LOUISIANA

BALANCE SHEET

For the Year Ended September 30, 2018

	GENERAL FUND	SALES TAX FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 1,103,830	\$ 1,078,929	\$ 176,566	\$ 2,359,325
Investments	108,599	-	165,544	274,143
Due from other funds	-	-	-	-
Other assets	-	-	-	-
Other receivables	68,458	97,758	54,919	221,135
TOTAL ASSETS	\$ 1,280,887	\$ 1,176,687	\$ 397,029	\$ 2,854,603
LIABILITIES & FUND BALANCES				
Liabilities				
Accounts payable	\$ 179,498	\$ -	\$ 56,712	\$ 236,210
Accrued liabilities	117,533	6,223	17,206	140,962
Due to other funds	360	-	-	360
Due to other governments	45	-	-	45
Other liabilities	20,845	-	-	20,845
TOTAL LIABILITIES	\$ 318,281	\$ 6,223	\$ 73,918	\$ 398,422
Fund Balance				
Restricted	\$ 131,116	\$ -	\$ 323,111	\$ 454,227
Assigned	-	1,170,464	-	1,170,464
Unassigned	831,490	-	-	831,490
TOTAL FUND BALANCE	\$ 962,606	\$ 1,170,464	\$ 323,111	\$ 2,456,181
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,280,887	\$ 1,176,687	\$ 397,029	\$ 2,854,603

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Reconciliation of The Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
For the Year Ended September 30, 2018

Total Fund Balances for governmental funds at September 30, 2018		\$ 2,456,181
Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds. Those assets consist of:		
Governmental capital assets	\$ 13,889,011	
Less: Accumulated depreciation	<u>(8,308,818)</u>	5,580,193
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Net other post-employment benefit obligation	\$ (6,845,665)	
Compensated absences	<u>(153,139)</u>	(6,998,804)
Prior Period Adjustment		
Deferred Outflows	\$ 556,649	
Net pension liability	(4,041,085)	
Deferred inflows	<u>(181,017)</u>	<u>(3,665,453)</u>
Net Position of Governmental Activities at September 30, 2018		<u>\$ (2,627,883)</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

STATEMENT OF REVENUES EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

	GENERAL FUND	SALES TAX FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes				
Ad valorem	\$ 230,956	\$ -	\$ 162,641	\$ 393,597
Sales and use	-	2,306,272	-	2,306,272
Other taxes	92,513	-	-	92,513
Licenses and permits	316,549	-	-	316,549
Intergovernmental revenues	393,446	-	-	393,446
Federal grants	-	-	534,738	534,738
State grants	13,841	-	-	13,841
Charges for services	70,784	-	101,193	171,977
Fines and forfeitures	98,629	-	-	98,629
Investment earnings	1,567	1,060	412	3,039
Other revenues	317,319	-	22,790	340,109
Total Revenues	<u>\$ 1,535,604</u>	<u>\$ 2,307,332</u>	<u>\$ 821,774</u>	<u>\$ 4,664,710</u>
EXPENDITURES				
General government	\$ 1,517,249	\$ 59,790	\$ 1,686	\$ 1,578,725
Public safety	1,981,300	-	-	1,981,300
Public works	1,041,869	-	-	1,041,869
Public works - Storm related expenses	-	-	-	-
Cultural and recreation	253,468	-	314,647	568,115
Urban redevelopment and housing	-	-	573,394	573,394
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ 4,793,886</u>	<u>\$ 59,790</u>	<u>\$ 889,727</u>	<u>\$ 5,743,403</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (3,258,282)</u>	<u>\$ 2,247,542</u>	<u>\$ (67,953)</u>	<u>\$ (1,078,693)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Issuance of debt	\$ -	\$ -	\$ -	\$ -
Transfers in	3,180,000	-	45,000	3,225,000
Transfers out	-	(2,025,000)	-	(2,025,000)
Payment to refunded debt	-	-	-	-
Service agent	-	-	-	-
Total Other Financing Sources and Uses	<u>\$ 3,180,000</u>	<u>\$ (2,025,000)</u>	<u>\$ 45,000</u>	<u>\$ 1,200,000</u>
Net Change in Fund Balance	\$ (78,282)	\$ 222,542	\$ (22,953)	\$ 121,307
Fund balances - beginning	1,040,887	947,921	346,064	2,334,872
Fund balances - ending	<u>\$ 962,605</u>	<u>\$ 1,170,463</u>	<u>\$ 323,111</u>	<u>\$ 2,456,179</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Reconciliation of The Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities

For the Year Ended September 30, 2018

Total net changes in fund balances at September 30, 2018 for statement of revenues, expenditures and changes in fund balances		\$ 121,307
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlay which is considered expenditures on statement of revenues, expenditures and charges in fund balances.	\$ 230,830	
Depreciation expense for the period ended September 30, 2018	<u>(390,891)</u>	(160,061)
<p>In the statement of activities, only the gain or loss on the sale of assets is reported. Whereas, in the government funds, the proceeds from the sale increases financial resources.</p>		
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Increase in Compensated Allowances		(25,452)
Transfer of Assets to Proprietary Fund		-
Loss on Disposal of Assets		(3,059)
Miscellaneous Adjustment		-
The change in other post employment benefit obligation reported in the statement of activities does not require the use of current financial resources, and, therefore, is not reported as an expenditure in the governmental funds.		(765,253)
Net change in pension liability and deferred inflows		<u>(191,270)</u>
Total changes in net position at September 30, 2018 for statement of activities		<u>\$ (1,023,788)</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2018

	BUSINESS-TYPE ACTIVITIES		
	Enterprise Funds		
	UTILITY FUND	SEWER FUND	TOTAL
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 655,982	\$ 955,601	\$ 1,611,583
Receivables (net of allowances for uncollectibles)	1,025,232	129,491	1,154,723
Due from other funds	396	-	396
Inventory	233,801	1,599	235,400
Prepaid items	69,849	-	69,849
Other assets	10,000	-	10,000
Total Current Assets	<u>\$ 1,995,260</u>	<u>\$ 1,086,691</u>	<u>\$ 3,081,951</u>
Non-Current Assets			
Restricted Assets			
Cash	\$ 50,818	\$ -	\$ 50,818
Customer deposits	464,312	-	464,312
Bond reserve account	-	1,036	1,036
Capital assets net of accumulated depreciation	4,263,884	4,869,158	9,133,042
Total Non-Current Assets	<u>\$ 4,779,014</u>	<u>\$ 4,870,194</u>	<u>\$ 9,649,208</u>
TOTAL ASSETS	<u>\$ 6,774,274</u>	<u>\$ 5,956,885</u>	<u>\$ 12,731,159</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	\$ 348,498	\$ 78,049	\$ 426,547
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 555,476	\$ 16,141	\$ 571,617
Accrued liabilities	75,791	-	75,791
Due to other funds	-	35	35
Other liabilities	-	-	-
Current lease payable	754	-	754
Payable from restricted assets			
Customer deposits	360,920	-	360,920
Revenue bonds	108,000	-	108,000
Total Current Liabilities	<u>\$ 1,100,941</u>	<u>\$ 16,176</u>	<u>\$ 1,117,117</u>
Non-Current Liabilities			
Compensated absences	\$ 226,432	\$ 27,549	\$ 253,981
Leases payable	-	-	-
General obligation bonds			
Revenue bonds	228,000	108,952	336,952
Net pension liability	1,247,706	127,677	1,375,383
Total Non-Current Liabilities	<u>\$ 1,702,138</u>	<u>\$ 264,178</u>	<u>\$ 1,966,316</u>
TOTAL LIABILITIES	<u>\$ 2,803,079</u>	<u>\$ 280,354</u>	<u>\$ 3,083,433</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	148,282	39,120	187,402
NET POSITION			
Invested in capital assets, net of related debt	\$ 4,263,884	\$ 4,869,158	\$ 9,133,042
Restricted for debt service	-	1,036	1,036
Restricted for customer deposits	360,920	-	360,920
Unrestricted	(453,393)	845,266	391,873
TOTAL NET POSITION	<u>\$ 4,171,411</u>	<u>\$ 5,715,460</u>	<u>\$ 9,886,871</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS

For the Year Ended September 30, 2018

	BUSINESS-TYPE ACTIVITIES		
	Enterprise Funds		TOTAL
	UTILITY FUND	SEWER FUND	
Operating Revenues			
Charges for services:			
Electricity sales	\$ 8,309,980	\$ -	\$ 8,309,980
Sewer charges	-	833,127	833,127
Water sales	600,353	-	600,353
Other services	907,211	-	907,211
Total Operating Revenues	<u>\$ 9,817,544</u>	<u>\$ 833,127</u>	<u>\$ 10,650,671</u>
Operating Expenses			
Electric generating	\$ 5,884,550	\$ -	\$ 5,884,550
Electric distribution	508,106	-	508,106
Water department	371,465	-	371,465
Water treatment plant	472,310	-	472,310
Overhead	1,736,166	-	1,736,166
Warehouse	47,962	-	47,962
Sewer department	-	824,773	824,773
Total Operating Expenses	<u>\$ 9,020,559</u>	<u>\$ 824,773</u>	<u>\$ 9,845,332</u>
Operating Income	<u>\$ 796,985</u>	<u>\$ 8,354</u>	<u>\$ 805,339</u>
Nonoperating Revenues (Expenses)			
Intergovernmental			
State grants	\$ -	-	\$ -
Federal grants	-	-	-
Interest earnings	2,602	1	2,603
Interest expense	(12,111)	-	(12,111)
Loss on sale of equipment	-	-	-
Storm related expenses	-	-	-
Insurance claims	-	-	-
Miscellaneous	4,577	-	4,577
Total Nonoperating Revenues (Expenses)	<u>\$ (4,932)</u>	<u>\$ 1</u>	<u>\$ (4,931)</u>
Income Before Contributions and Transfers	<u>\$ 792,053</u>	<u>\$ 8,355</u>	<u>\$ 800,408</u>
Capital Contributions	\$ -	\$ -	\$ -
Transfers in	-	-	-
Transfers out	(1,200,000)	-	(1,200,000)
Total Transfers and Contributions	<u>\$ (1,200,000)</u>	<u>\$ -</u>	<u>\$ (1,200,000)</u>
Change in Net Position	<u>\$ (407,947)</u>	<u>\$ 8,355</u>	<u>\$ (399,592)</u>
Prior Period Adjustment	\$ -	\$ -	\$ -
Total Net Position - Beginning	<u>4,579,358</u>	<u>5,707,105</u>	<u>10,286,463</u>
Total Net Position - Ending	<u>\$ 4,171,411</u>	<u>\$ 5,715,460</u>	<u>\$ 9,886,871</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended September 30, 2018

	Business-Type Activities Enterprise Funds		TOTAL
	UTILITY	SANITATION	
Cash flows from operating activities:			
Cash received from customers	\$ 9,715,555	\$ 824,100	\$ 10,539,655
Cash payment to suppliers for goods and services	(8,260,518)	(342,576)	(8,603,094)
Cash payments to employees for services	(1,262,368)	(187,469)	(1,449,837)
Other operating revenues	911,788	-	911,788
Net cash provided by operating activities	\$ 1,104,457	\$ 294,055	\$ 1,398,512
Cash flows from non-capital financing activities:			
Operating transfers-out to other funds	\$ (1,200,000)	\$ -	\$ (1,200,000)
Operating transfers-in from other funds	-	-	-
Other non-operating revenue	4,577	-	4,577
Grants	-	-	-
Amounts to (from) other funds	4,749	(424)	4,325
Net receipts (payments) of customers' deposits	11,474	-	11,474
Net cash used for non-capital financing activities	\$ (1,179,200)	\$ (424)	\$ (1,179,624)
Cash flows from capital and related financing activities:			
Principal note/lease payments	\$ (8,722)	\$ -	\$ (8,722.00)
Acquisition and construction of capital assets	(264,306)	-	(264,306)
Proceeds from revenue bonds	-	108,952	108,952
Principal paid on revenue bonds	(106,000)	-	(106,000)
Interest paid on revenue bonds	(12,111)	-	(12,111)
Net cash used for capital and related financing activities	\$ (391,139)	\$ 108,952	\$ (282,187)

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2018

	Business-Type Activities		TOTAL
	Enterprise Funds		
	UTILITY	SANITATION	
Cash flows from investing activities			
Net investment activity		\$ -	
Interest on investments	2,602	1	2,603
Net cash provided (used) by investing activities	\$ 2,602	\$ 1	\$ 2,603
Net increase (decrease) in cash	\$ (463,280)	\$ 402,584	\$ (60,696)
Cash, beginning of year	1,119,262	553,017	1,672,279
Cash, end of year	\$ 655,982	\$ 955,601	\$ 1,611,583
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 796,985	\$ 8,354	\$ 805,339
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	\$ 267,781	\$ 270,894	\$ 538,675
Net provision for uncollectible accounts	-	-	-
Changes in assets and liabilities:			
Decrease (Increase) in receivables	(101,989)	(9,027)	(111,016)
Decrease (Increase) in inventory	15,526	(587)	14,939
Decrease (Increase) in prepaid expenses	7,087	-	7,087
Decrease (Increase) in other assets	(19,433)	119	(19,314)
(Decrease) Increase in accounts payable	20,708	(10,881)	9,827
(Decrease) Increase in other payables	117,792	35,183	152,975
Total adjustments	\$ 307,472	\$ 285,701	\$ 593,173
Net cash provided by operating activities	\$ 1,104,457	\$ 294,055	\$ 1,398,512

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the City of Rayne, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, 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.

A. Financial Reporting Entity

The City of Rayne was incorporated on May 2, 1883, under the provisions of the Lawrason Act. The City operates under a Mayor-Board of Alderman form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

As the municipal governing authority for financial reporting purposes, the City of Rayne 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 nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the City of Rayne for financial reporting purposes. The basic criteria 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 for 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 of the significance of the relationship.

Based on the previous criteria, the City has determined that the following are component units:

1. Rayne City Court is fiscally dependent on the City for office space and courtrooms. The City also has authority over its budget. The Rayne City Court's fiscal year end is September 30, 2018. A copy of the Rayne City Court's audit can be obtained by sending a request to Rayne City Court, Post Office Box 61, Rayne, LA 70578.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

2. Rayne Marshal's Fund is fiscally dependent on the City for office space. The Marshal's Fund year end is September 30, 2018 and a copy of this report can be obtained by sending a request to Rayne Marshal's Fund, Post Office Box 61, Rayne, LA 70578.

The City of Rayne Housing Authority was chartered by the City and is a related organization since the Mayor appoints a voting majority of the Housing Authority's governing board. The City of Rayne is not financially accountable for the Housing Authority, it cannot impose its will on the Housing Authority, and there is no potential for the Housing Authority to provide financial benefit or impose financial burdens on the City of Rayne. Therefore, the Housing Authority has not been included in the reporting entity.

The City has chosen to issue financial statements of the primary government only; therefore, none of the previously listed component units are included in the accompanying financial statements. Financial statements for these component units can be obtained from the individual component units.

These primary government financial statements include all major funds, aggregate non-major funds, and organizations for which the City maintains the accounting records.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's financial statements are not a substitute for the reporting entity's financial statements. The City has chosen to issue financial statements of the primary government only. As such, these financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government.

Management's Discussion and Analysis (MD&A)

GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A). This analysis is similar to the analysis the private sector provides in their annual reports. Management has elected to omit the MD&A.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements, the statement of net position and the statement of changes in net position, report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (1) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (2) 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. There are no indirect expenses.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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

Fund Financial Statements (FFS)

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

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

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

The major funds of the City are described below:

Governmental Funds -

General Fund

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

Sales Tax Fund

The sales tax fund accounts for the collection and disbursement of the City's two percent (2%) sales and use tax.

Proprietary Funds -

The City reports the following major enterprise fund.

Utility Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided 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 of Rayne's enterprise funds consist of the utility and sewer funds.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Additionally, the City reports the following fund types:

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts of major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds

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

C. Measurement Focus/Basis of Accounting

Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the net change in fund balance.

On the government-wide statements of net position and statements of activities, both the governmental and business-type activities are presented using the economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these activities are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position.

Basis of Accounting

The statements of net position, statements of activities, and financial statements of the proprietary funds are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred without regard to receipt or disbursement of cash. 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 when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded when payment is due.

D. Assets, Liabilities and Equity

Cash and Interest Bearing Deposits

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

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Receivables

In the government wide statements, receivables consist of revenues earned but not yet received at year-end. For governmental activities, the major receivable balances at year-end are receivables from governmental units. Business type activities report customer’s utility and sewer service receivables as the major receivables. Uncollectible amounts due for customers’ utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers’ utility and sewer receivables was \$847,023 and \$823,487 at September 30, 2018 and 2017, respectively.

Inventory and Prepaid Items

Inventories in the proprietary fund are valued at cost, which approximates market using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City of Rayne maintains a threshold level of \$2,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Buildings	40 years
Equipment	5-20 years
Utility System & Improvements	20-40 years
Infrastructure	20-40 years

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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.

Long-term debt

In the government-wide statements, all long-term debt is reported as liabilities and is repaid from governmental and business-type resources. The long-term debt consists mainly of general obligation bonds, revenue bonds, and utility meter deposits.

In the fund financial statements, the long-term debt for governmental funds is not reported as liabilities. The debt proceeds are reported as other financing sources and payment of principal and interest is 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.

Compensated Absences

City employees are entitled to certain compensated absences based upon their length of service. Annual leave shall be earned by regular employees based on continuous service as indicated by the following:

- a. Less than seven months, no credit.
- b. Seven months but less than twelve months, ½ day per month.
- c. One year but less than seven years, twelve days per year.
- d. Seven years but less than fourteen years, fifteen days per year.
- e. Fourteen years or more of service, eighteen days per year.

No annual leave shall be earned while an employee is on leave of absence without pay or during a period of suspension. The maximum amount of annual leave that is allowed to be carried forward is one year of earned leave plus one-third of earned annual leave.

Sick leave is accumulated based on continuous employment in the amount of one day per month beginning with the seventh month of employment. Upon termination, employees are paid for all annual leave. Sick leave is forfeited upon termination of employment. A retiring employee, at his election, may use accrued sick leave towards extension of his retirement date. Since sick leave only vest upon retirement, an accrual is made only when an employee is eligible for retirement. The total accrued sick leave is \$373,910 and is included on the financial statements as a noncurrent liability.

Equity Classifications

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

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The City’s assets and deferred outflows or resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$7,258,988 (total net position), of which \$(7,924,802) is unrestricted net position. The City’s net position is comprised of (\$2,2627,883) from governmental activities and \$9,886,871 from business-type activities.

In the fund statements, governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

Beginning with the fiscal year 2011, the City adopted GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. As such, fund balances of the governmental funds are classified as follows:

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

Restricted – funds 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.

Committed – amounts that can be spent only for specific purposes determined by a formal action of the council members. These amounts are imposed at the highest level of authority. The Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by council members.

Assigned - funds whose intended use has been established that do not meet the criteria to be classified as restricted or committed. These amounts can be, but are not required to be, imposed at the highest level of authority. For the City, this is the Council. They do not have to be binding and action does not have to be taken prior to year-end.

Unassigned – all other spendable amounts.

Fund balances for the period ending September 30, 2018

	For year ended September 30, 2018				For year ended September 30, 2017			
	General Fund	Sales Tax Fund	Other Governmental Funds	Total	General Fund	Sales Tax Fund	Other Governmental Funds	Total
Restricted	\$ 131,116	\$ -	\$ 323,111	\$ 454,227	Restricted \$ 113,953	\$ -	\$ 346,064	\$ 460,017
Assigned	-	1,170,464	-	1,170,464	Assigned -	947,921	-	947,921
Unassigned	831,490	-	-	831,490	Unassigned 926,934	-	-	926,934
Total Fund Balances	\$ 962,606	\$ 1,170,464	\$ 323,111	\$ 2,456,181	Total Fund Balances \$ 1,040,887	\$ 947,921	\$ 346,064	\$ 2,334,872

The City of Rayne considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The City also considers committed fund balances to be spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

the Council has provided otherwise in its commitment or assignment actions when other unrestricted fund balances classifications are available for use.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities. In the fund financial statements, the governmental funds expenditures are classified by function and the proprietary fund expenditures are classified by operating and nonoperating.

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

Interfund Transfers

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

F. Budget and Budgetary Accounting

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

1. Prior to September 1, the City Clerk prepares a proposed budget and submits this budget to the Mayor and the Board of Aldermen no later than 15 days prior to the beginning of each fiscal year. The proposed budget for the year ended September 30, 2018 was submitted to the City Council on September 11, 2017.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for inspection. At the same time, a public hearing is called. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
3. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted. The proposed budget for the year ended September 30, 2018 was adopted as Ordinance No. 2000 on September 12, 2017.
4. Budgetary amendments involving the transfer of funds from one department, program, or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen. The budget for the year ended September 30, 2018 was amended on September 10, 2018.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

G. Use of Estimates

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

H. Deferred Outflows of Resources and Deferred Inflows of Resources

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

Note 2. Cash and Interest-Bearing Deposits

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

Demand Deposits and Interest Bearing	
Demand Deposits	\$ 4,713,947
Passbook savings, Money	
Market accounts and	
Time Deposits	<u>739,492</u>
Total Bank Balances	<u>\$ 5,453,439</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The City had securities pledged and held by the custodial bank's agent in the name of the City in the amount of \$6,223,564 at September 30, 2018. The City also had \$600,000 of FDIC insurance. 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 September 30, 2018 the carrying amount of the City's deposits was \$4,759,621 and the bank balance was \$5,453,439. As of September 30, 2018, the City's total bank balances were fully insured by pledged securities and FDIC.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or the City will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market.

Note 3 Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City on October 1 and payable on December 31. Billed taxes become delinquent on January 1 of the following year. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Acadia Parish. City property taxes are budgeted in the year billed.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

For the year ended September 30, 2018, taxes of 12.10 mills were levied on property with assessed valuations totaling \$34,878,255 and were dedicated as follows:

General corporate purposes	7.10 mills
Youth recreation	5.00 mills

Total taxes levied were \$396,040 according to the Acadia Parish Tax Assessor's tax roll; however, total property taxes for the year ended September 30, 2018 was \$393,597 after some adjustments. There were no ad valorem taxes receivable at September 30, 2018.

Note 4 Receivables

Receivables at September 30, 2018 totaled \$1,375,858 and consist of the following:

	Governmental	Enterprise	
	Funds	Funds	Total
Accounts Receivable		\$ 1,958,849	\$ 1,958,849
Allowance for Uncollectible Amounts		(847,023)	(847,023)
Franchise Tax	7,287	-	7,287
City Fines	7,787	-	7,787
Video Poker	28,203	-	28,203
Sales Tax	97,758	-	97,758
Property Tax	2,035	-	2,035
State of Louisiana	22,747	-	22,747
Other Receivable	55,318	42,897	98,215
Total Receivables Per Fund Financials	\$ 221,135	\$ 1,154,723	\$ 1,375,858
Due from Other Governmental Units (Note 5)	\$ (113,966)	\$ -	\$ (113,966)
Total Receivables Per Government-Wide Financials	\$ 107,169	\$ 1,154,723	\$ 1,261,892

Note 5 Due from Other Governmental Units

Amounts due from governmental units included in receivables at September 30, 2018 consisted of the following:

Amount due from the State of Louisiana for beer tax revenues earned during fiscal year ending September 30, 2018	\$ 3,733
Amount due from the State of Louisiana for video poker revenues earned during fiscal year ending September 30, 2018	28,204
Amount due from Rayne City Court for fines for September 30, 2018	7,787
Amount due from the State of Louisiana for LCDBG	54,078
Amount due from the State of Louisiana for prisoner reimbursements for September 30, 2018	19,014
Amount due from Acadia Parish Police Jury for Witness Fees earned during fiscal year ending September 30, 2018	1,150
Total due from other governmental units	<u>\$ 113,966</u>

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 6 Restricted Assets – Proprietary Fund Type

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

Revenue bond reserve account (M&O)	\$ 361,579
Revenue bond reserve accounts (SM)	1,036
Customers' deposits (M&O)	<u>153,551</u>
Total restricted assets	<u>\$ 516,166</u>

Note 7 Capital Assets

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

	Balance 10/01/2017	Additions	Reductions	Balance 09/30/2018
Governmental activities:				
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$ 133,300	\$ -	\$ 133,300
Other capital assets:				
Buildings	2,120,977	48,156	-	2,169,133
Improvement other than buildings	1,691,389	12,555	(539)	1,703,405
Infrastructure	8,309,825	-	-	8,309,825
Equipment, furniture and fixtures	1,001,340	-	(6,942)	994,398
Vehicles	595,901	36,819	(53,770)	578,950
Total	<u>\$ 13,719,432</u>	<u>\$ 230,830</u>	<u>\$ (61,251)</u>	<u>\$ 13,889,011</u>
Less accumulated depreciation				
Buildings	\$ 1,399,144	\$ 51,626	\$ -	\$ 1,450,770
Improvements other than buildings	1,115,258	56,735	(487)	1,171,506
Infrastructure	4,272,494	196,229	-	4,468,723
Equipment, furniture and fixtures	718,931	55,575	(6,942)	767,564
Vehicles	470,292	30,726	(50,763)	450,255
Total accumulated depreciation	<u>\$ 7,976,119</u>	<u>\$ 390,891</u>	<u>\$ (58,192)</u>	<u>\$ 8,308,818</u>
Governmental activities, Capital assets, net	<u>\$ 5,743,313</u>	<u>\$ (160,061)</u>	<u>\$ (3,059)</u>	<u>\$ 5,580,193</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 39,398
Public Safety	42,352
Public Works	214,062
Cultural & recreation	95,079
Community development	-
Total depreciation expense	<u>390,891</u>

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

	Balance 10/1/2017	Additions / Reclass	Deletions / Reclass	Balance 9/30/2018
Business-Type activities:				
Capital assets not being depreciated:				
Land – CW&L	\$ 53,470	\$ -	\$ -	\$ 53,470
Land – Sewer	500,000	-	-	500,000
Construction in progress	20,271	-	(20,271)	40,542
Other capital assets:				
Buildings – CW&L	\$ 3,127,703	\$ -	\$ -	\$ 3,127,703
Electric System & Imp	4,197,452	37,401	-	4,234,853
High Demand Plant facility	2,313,866	-	-	2,313,866
Water System & Imp	4,780,423	-	(510)	4,779,913
Machinery & Equip – CW&L	1,331,934	247,177	(924)	1,578,187
Sewer System	11,644,936	-	-	11,644,936
Machinery & Equip - Sewer	267,456	-	(3,041)	264,415
Totals	\$ 28,237,511	\$ 284,578	\$ (24,746)	\$ 28,497,343
Less accumulated depreciation				
Building – CW&L	\$ 1,624,708	\$ 67,951	\$ -	\$ 1,692,659
Electric System & Imp	3,954,189	40,737	-	3,994,926
High Demand Plant facility	2,203,700	9,731	-	2,213,431
Water System & Imp	2,657,949	111,284	(510)	2,768,723
Machinery & Equip – CW&L	1,116,576	38,078	(924)	1,153,730
Sewer System	7,061,038	261,737	-	7,322,775
Machinery & Equip - Sewer	211,820	9,157	(2,920)	218,057
	\$ 18,829,980	\$ 538,675	\$ (4,354)	\$ 19,364,301
Business-type activities, Capital assets, net				\$ 9,133,042

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

Utility	\$267,781
Sewer	270,894
Total depreciation expense	<u>\$538,675</u>

In May 1979, the City terminated its electricity generating operations. The City now purchases the majority of all electricity used from Louisiana Energy and Power Authority. The City is maintaining the engines and generators to be used only in an emergency and in high demand situations.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 8 Accounts and Other Payables

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

	Governmental Activities	Business-type Activities	Total
Accounts payable	\$236,210	\$571,617	\$807,827
Other payables	141,006	75,791	216,797
Totals	<u>\$377,216</u>	<u>\$647,408</u>	<u>\$1,024,624</u>

Note 9 Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2018:

	Governmental Activities	Business-type Activities	Total
Bonds Payable at 9/30/17	\$ -	\$ 442,000	\$ 442,000
Additions	-	108,000	108,000
Reductions	-	106,000	106,000
Totals	<u>\$ -</u>	<u>\$ 444,000</u>	<u>\$ 444,000</u>

Long-term debt payable at September 30, 2018 is comprised of the following individual issues:

Revenue Bonds: (All issues being serviced by the Enterprise Funds)

\$1,000,000 Certificates of Indebtedness, Series 2011, due in annual installments of \$85,000 to \$ 116,000 through March 1, 2021; interest at 3.020% (to be retired by excess revenues)	\$336,000
Less current portion	108,000
Long-term bond payable	<u>\$ 228,000</u>

\$1,000,000 Certificates of Indebtedness, Series 2018, due in annual installments of \$49,000 to \$ 55,000 through March 1, 2039; interest at .45% (to be retired by excess revenues)	\$108,000
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Interest paid for the year ended September 30, 2018 was \$11,748.

The City of Rayne incurred debt and issued one million dollars (\$1,000,000) of its Certificates of Indebtedness, Series 2011, for the purpose of (i) constructing improvements and extensions to the waterworks and sewer treatment plants and distribution systems of the Issuer, (ii) refunding the Issuer's outstanding Certificates of Indebtedness, Series 2004 (the "Refunded Bonds"), and (iii) paying the costs of the issuances thereof. The Refunded Bonds- Series 2004 was rolled into and/or combined with the issuance of an additional \$730,000 worth of bonds. The Series 2011 Bonds interest is payable on March 1 and September 1 of each year, commencing on September 1, 2011. The Series 2011 Bond totals \$336,000 at September 30, 2018.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

The City incurred debt and issued one million dollars taxable utility revenue bonds, series 2018 for the purpose of rehabilitating portions of the collection system to help reduce infiltration and inflow. Bond interest is payable March 1 and September 30 of each year commencing on September 1, 2018. The series 2018 Bond totals \$108,000 at September 30, 2018.

The bonds are due as follows:

Year Ending September 30	Governmental Activities		Business-Type Activities	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments
2019	-	-	108,000	8,517
2020	-	-	112,000	5,195
2021	-	-	116,000	1,752
	\$ -	\$ -	\$ 336,000	\$ 15,464

Note that only \$108,000 has been drawn on Series 2018 bonds.

Note 10

Flows of Funds; Restrictions on Use – Utilities Revenues

Revenue Bonds:

- A. Under the terms of the bond indentures on outstanding Sewer Utility Revenue Bonds, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Utility System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:
- B. Each month, they will be set aside into a fund called the “Utilities Revenue Bond Debt Service Fund” an amount constituting 1/12th of the next maturing installment of principal and interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.
- C. There shall also be set aside into a “Utilities Revenue Bond Debt Service Fund” an amount equal to 1/6th of the interest and administration fee, if any, required to be paid and 1/12th of the principal falling due on or before the 20th of each month into the Sinking Fund during the current fiscal year until there shall have been accumulated in the Reserve Account an amount equal to the maximum principal and interest requirements in any one maturity year. Such amounts may be used only for the payment of maturing bonds and interest and shall transfer funds directly to owners not less than 3 days prior to each principal and interest date.
- D. Funds will also be set aside into a “Depreciation and Contingency Fund”. Money in this fund may be used to care for depreciation, extensions, improvements, and replacements to the system, which are necessary to keep the system in operating condition. The City must transfer after making payments to (A), (B) and (C) monthly on or before the 20th a sum equal to 5% of the net revenues or an amount equal to 25% of the amount scheduled that month for payment to the sinking fund, whichever is greater until the account reaches \$50,000. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.
- E. The City of Rayne was in compliance with all significant limitations and restrictions in the bond indentures at September 30, 2018.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 11 Post-Employment Benefits (Also See Note 19)

The City of Rayne handles Cobra participants by notifying Risk Management, Inc. in writing of the Cobra qualifying event. The RMI notifies the qualified beneficiary of his Cobra rights in application form. The City is responsible for Cobra payments and termination for non-payment. The qualified beneficiary is responsible for the signed application to be returned. Upon payment to the City and return of the signed application, qualified beneficiary is re-instated by RMI and tracked until Cobra benefits have been fulfilled. The City adopted GASB Statement No. 75 for the fiscal year beginning October 1, 2017.

Note 12 Police Supplemental Pay

The City received state supplemental pay for qualified police officers totaling \$117,350. The supplemental pay was forwarded directly to the officers.

Note 13 Segment Information for the Enterprise Fund

The City of Rayne maintains two enterprise funds, which provide utility and sewerage services. Segment information for the year ended September 30, 2018 was as follows:

	Utilities	Sewerage	Total Enterprise Fund
Charges for services and other operating revenues	\$ 9,817,544	\$ 833,127	\$ 10,650,671
Operating expenses			
Depreciation	\$ 267,781	\$ 270,894	\$ 538,675
Other expenses	8,752,778	553,879	9,306,657
Total operating expenses	<u>\$ 9,020,559</u>	<u>\$ 824,773</u>	<u>\$ 9,845,332</u>
Operating income (loss)	<u>\$ 796,985</u>	<u>\$ 8,354</u>	<u>\$805,339</u>

Note 14 Compensation of Town Officials

A detail of the annual compensation paid to the Mayor and Board of Alderman for the year ended September 30, 2018 follows:

Charles "Chuck" Robichaux, Mayor	\$ 76,000
Lendell "Pete" Babineaux, Mayor pro-tem	7,560
Calise Doucet	7,200
Curtrese Minix	7,200
Kenneth Guidry	7,200
James "Jimmy" Fontenot	7,200
	<u>\$ 112,360</u>

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 15 Interfund Transactions

Interfund receivables and payables consisted of the following at September 30, 2018:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental Funds		
General Fund	\$ -	\$ 360
Proprietary Funds		
Utility Fund	395	-
Sewer Fund	-	35
	<u>\$ 395</u>	<u>\$ 395</u>

The City does expect these amounts to be repaid within one year. Interfund transactions were for reimbursement of expenses paid or to transfer excess funds for general purpose use.

Interfund transfers consisted of the following at September 30, 2018:

	<u>Interfund Transfers in</u>	<u>Interfund Transfers out</u>
Major Funds		
Governmental Funds		
General Fund	\$ 3,180,000	\$ -
Sales Tax		2,025,000
Other Non-major governmental funds	45,000	-
Proprietary Fund		
Utility Fund		1,200,000
Sewer Fund	-	-
Total	<u>\$ 3,225,000</u>	<u>\$ 3,225,000</u>

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

There were no individual funds that reported a deficit fund balance at September 30, 2018.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 16 Leases

A. Operating leases

The City is engaged in various operating leases for the use of machinery and equipment. Total rent expenditures for these leases totaled \$7,730 for the year ended September 30, 2018. The future minimum rental payments for these leases are as follows:

Year Ending September 30	Amount
2019	\$ 8,835
2020	7,786
2021	7,690
2022	7,690
2023	2,563
Total	\$ 34,564

B. Capital Lease

In November 2016, the City entered into a lease agreement as lessee for financing the acquisition of a 2 way radios. The total cost of the radios was \$51,170, of this amount, \$16,962 was financed through Marlin Leasing Corporation. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. As of September 30, 2018 the City only has 2 payments of \$758. One payment is included in accounts payable and one payment is shown in current lease payable on the statement of net position.

The assets acquired through capital leases are as follows:

Asset	Original Cost	Current Year Depreciation	Accumulated Depreciation
2 Way Radios			
General Fund	\$ 23,463	\$ 2,346	\$ 3,911
Enterprise Fund - Water	10,419	1,042	1,910
Enterprise Fund - Electric	13,770	1,377	2,524
Sewer Fund	3,518	352	645
Total	\$ 51,170	\$ 5,117	\$ 8,990

For the City's fiscal year ended September 30, 2018, the interest expense related to the lease in the Enterprise Fund was \$381.

Note 17 Contingencies

A suit has been filed on behalf of Henry Lee Marlborough (Anthony Campbell) against the COR, et al. in regards to an incident which occurred on February 10, 2009 when a combined force of Rayne City Police and Acadia Parish Sheriff's Office attempted to arrest Anthony Campbell. None of the officers involved were indicted by a Grand Jury that was called to review the facts of the case. This case was dismissed by the Judge but the City is within its appeal delays.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

A suit has been filed by Bobby Williams against the City of Rayne and the Rayne Police Department. This trial is set for April 15, 2019. The City intends to vigorously defend this case.

An estimate on these contingencies cannot be made at this time.

Note 18

Pension Plan

Plan Descriptions

Substantially all employees of the City of Rayne are members of the following statewide retirement systems: Municipal Employees' Retirement System of Louisiana (MERS), Municipal Police Employees' Retirement System of Louisiana (MPERS), and Louisiana State Employees' Retirement System (LASERS). These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

Municipal Employees' Retirement System of Louisiana (MERS)

Employees of the City are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:1731 to provide retirement, disability and survivor benefits to employees of all incorporated villages, towns and cities throughout the State of Louisiana. MERS is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City are members of Plan B. The system issues a publicly available financial report that may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Municipal Employees' Retirement System of Louisiana (MPERS)

The Municipal Police Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Louisiana State Employees' Retirement System (LASERS)

The City Judge is provided with a pension through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (LA RS 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

Benefits Provided

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

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Retirement

MERS

Any member of Plan B, who was hired before January 1, 2013 can retire providing the member meets one of the following criteria:

Any age with thirty (30) or more years of creditable service.

Age 60 with a minimum of ten (10) years of creditable service.

Any age with ten (10) years of creditable service eligible for disability benefits.

Survivor's benefits require five (5) years creditable service at death of member.

Eligibility for Retirement for Plan B Tier 2 members hired on or after January 1, 2013 is as follows:

Age 67 with seven (7) or more years of creditable service.

Age 62 with ten (10) or more years of creditable service.

Age 55 with thirty (30) or more years of creditable service.

Any age with twenty-five (25) years of creditable service, exclusive of military service and unused sick leave.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

MPERS

Membership Prior to January 1, 2013

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

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

Membership Commencing January 1, 2013

Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

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

LASERS

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

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

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

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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

Deferred Retirement Benefits

MERS

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

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in MERS.

MPERS

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

If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate.

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

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

LASERS

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

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

Disability Benefits

MERS

For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid disability benefits equal to the lesser of forty-five percent of his final average compensation or three percent of his final average compensation multiplied by his years of creditable service whichever is greater or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

LASERS

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Survivor's Benefits

MERS

Upon death of any member of Plan B with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and/or minor children as outlined in the statutes. Any member of Plan B, who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

MPERS

Membership Prior to January 1, 2013

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200 per month, whichever is greater.

Membership Commencing January 1, 2013

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

LASERS

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

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

Permanent Benefit Increases/Cost-of-Living Adjustments

MERS

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

MPERS

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

LASERS

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

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Notes to the Basic Financial Statements

Deferred Benefits

MERS

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

Contributions

MERS

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2019 and for the year ended June 30, 2018, the actual employer contribution rate was 14.00% and 13.25%, respectively, for Plan B. For the year ended June 30, 2019 and for the year ended June 30, 2018, the actuarially determined employer contribution rate was 14.00% and 13.06% for Plan B. The actuarially determined rate is the rate calculated to provide employer contributions that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the City were \$277,840 for the year ended September 30, 2018.

In accordance with state statute, MERS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from nonemployer contributing entities, but are not considered special funding situations.

MPERS

Contribution requirements of active employees are governed by ACT 189 of 1973 and amended by LA RS 11:2211-11:2233 and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to MPERS by participating employers. Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

For the year ending June 30, 2019 and for the year ended June 30, 2018, the actual employer contribution rate was 32.25% and 30.75%, respectively. For the year ended June 30, 2019 and for the year ended June 30, 2018, the actuarially determined employer contribution rate was 32.55% and 32.22%, respectively. The actuarially determined rate is the rate calculated to provide employer contributions that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contributions to the pension plan from the City were \$235,494 for the year ended September 30, 2018.

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended September 30, 2018, and excluded from pension expense.

LASERS

Contribution requirements of active employees are governed by Title 11 of the Louisiana Revised Statutes and may be amended by the Louisiana Legislature. Employee contributions are deducted from a member's salary and remitted to LASERS by participating employers along with the employer portion of the contribution.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

The rates in effect during the year ending June 30, 2019 and during the year ended June 30, 2018 are as follows:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate 2019	Employer Contribution Rate 2018
Judges hired before 1/1/11	Closed	11.5%	38.0%	40.1%

The City's contractually required composite contribution rate for the period from October 1, 2017 to June 30, 2018 was 40.1%, and for the period from July 1, 2018 to September 30, 2018 was 40.1%, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the City were \$9,624 for the year ended September 30, 2018.

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

The net pension liabilities were measured as of June 30, 2018 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 for MERS, MPERS and LASERS was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The following table reflects the City's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2018 and the change compared to the June 30, 2017 proportion.

	Net Pension Liability at June 30, 2018	Proportion at June 30, 2018	Increase (Decrease) to June 30, 2017 Proportion
MERS	\$ 2,358,390	2.788250%	0.117632%
MPERS	2,095,280	0.247843%	0.013043%
LASERS	82,589	0.001211%	-0.000046%
	<u>\$ 4,536,259</u>		

The following table reflects the City's recognized pension expense plus the City's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended September 30, 2018.

	Pension Expense	Amortization	Total
MERS	\$ 537,366	\$ (276,697)	\$ 260,669
MPERS	276,138	(224,693)	51,445
LASERS	6,742	(8,737)	(1,995)
	<u>\$ 820,246</u>	<u>\$ (510,127)</u>	<u>\$ 310,119</u>

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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

<u>MERS</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,319	\$ 106,222
Changes in assumptions	88,254	-
Net difference between projected and actual earnings on pension plan investments	383,318	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	59,779	6,222
Employer contributions subsequent to the measurement date	76,183	-
Total TRSL	<u>\$ 613,853</u>	<u>\$ 112,444</u>

<u>MPERS</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,446	\$ 107,073
Changes in assumptions	136,925	-
Net difference between projected and actual earnings on pension plan investments	100,443	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	75,685	116,186
Employer contributions subsequent to the measurement date	66,512	-
Total TRSL	<u>\$ 389,011</u>	<u>\$ 223,259</u>

<u>LASERS</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 926
Changes in assumptions	840	-
Net difference between projected and actual earnings on pension plan investments	1,071	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	875	2,119
Employer contributions subsequent to the measurement date	2,591	-
Total LASERS	<u>\$ 5,377</u>	<u>\$ 3,045</u>

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
MERS	\$ 613,853	\$ 112,444
MPERS	389,011	223,259
LASERS	5,377	3,045
	<u>\$ 1,008,241</u>	<u>\$ 338,748</u>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending September 30, 2019.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

The following table lists the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
MERS	\$ 76,183
MPERS	66,512
LASERS	2,591
	<u>\$ 145,286</u>

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

Year ending September 30:	<u>MERS</u>	<u>MPERS</u>	<u>LASERS</u>	<u>Total</u>
2019	\$ 240,054	\$ 83,455	\$ 1,896	\$ 325,405
2020	138,925	43,996	166	183,087
2021	34,355	(31,861)	(2,018)	476
2022	11,892	3,650	(303)	15,239
	<u>\$ 425,226</u>	<u>\$ 99,240</u>	<u>\$ (259)</u>	<u>\$ 524,207</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

	<u>MERS</u>	<u>MPERS</u>	<u>LASERS</u>
Valuation Date	June 30, 2018	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Approach			
Actuarial Assumptions:			
Expected Remaining Service Lives	4 years	4 years	3 years
Investment Rate of Return	7.275% per annum.	7.20% net of investment expenses	7.65% per annum.
Inflation Rate	2.60% per annum.	2.60%	2.75% per annum.
Salary Increases	5.0%, including inflation and merit increases	The annual salary growth rates are based upon the members' years of service.	2.8% - 5.3%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Mortality

Annuitant and beneficiary mortality - RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA.

Employee mortality – RP-2000 Disabled Lives Mortality Table set back 2 years for both males and females

Disabled lives mortality – RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females.

Annuitant and beneficiary mortality - RP-2000 Combined Healthy with Blue Collar Adjustment Sex District Tables projected to 2029 by Scale AA (set back 1 year for females).

Employee mortality – RP-2000 Employee Table set back 4 years for males and 3 years for females

Disabled lives mortality – RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females.

Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.

Disabled members -- Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

Termination, Disability, and Retirement

Termination, disability, and retirement assumptions were projected based on a five-year (2010-2014) experience study of the System's members.

Termination, disability, and retirement assumptions were projected based on a five-year (2010-2014) experience study of the System's members.

Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2018:

Asset Class	Target Allocation			Long-Term Expected Portfolio Real Rate of Return		
	MERS	MPERS	LASERS	MERS	MPERS	LASERS
Cash	-	-	-	-	-	-0.48%
Domestic equity	50.0%	52.0%	23.0%	2.20%	3.58%	4.31%
International equity	-	-	32.0%	-	-	5.26%
Domestic fixed income	35.0%	22.0%	6.0%	1.50%	0.46%	1.49%
International fixed income	-	-	10.0%	-	-	2.23%
Alternative investments	15.0%	20.0%	22.0%	0.60%	1.07%	7.67%
Global asset allocation	-	-	7.0%	-	-	4.96%
Real assets	-	6.0%	-	-	0.17%	-
Total	100.0%	100.0%	100.0%	4.30%	5.28%	5.40%
Inflation				2.70%	2.75%	
Expected Arithmetic Nominal Return				7.00%	8.03%	

n/a – amount not provided by Retirement System

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Discount Rate

The discount rates used to measure the total pension liability for MERS, MPERS, and LASERS were 7.275%, 7.20%, and 7.65%, respectively for the year ended June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive 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 the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the Net Pension Liability using the discount rate of each pension plan, 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 or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
MERS			
Discount rate	6.275%	7.275%	8.275%
Share of NPL	\$ 3,095,099	\$ 2,358,390	\$ 1,732,124
MPERS			
Discount rate	6.20%	7.20%	8.20%
Share of NPL	\$ 2,944,448	\$ 2,095,280	\$ 1,382,860
LASERS			
Discount rate	6.65%	7.65%	8.65%
Share of NPL	\$ 104,233	\$ 82,589	\$ 63,949

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The City recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended September 30, 2018, the City recognized revenue as a result of support received from non-employer contributing entities of \$70,008 and \$48,908 for its participation in MERS and MPERS, respectively. LASERS does not receive support from non-employer contributing entities and, as a result, no revenue was recorded for LASERS for the year ended September 30, 2018.

Pension Plans Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued financial reports for MERS, MPERS and LASERS and can be obtained on the pension plans' respective websites or on the Louisiana Legislative Auditor's website: www.la.la.gov.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Payables to the Pension Plan

As of September 30, 2018, the City had no payables due to MERS, MPERS, or LASERS. Payables are the City's legally required contributions to the pension plans. Outstanding balances are applied the City's required monthly contributions.

Note 19

Post-Employment Benefits

Plan Description:

The City of Rayne provides medical and dental benefits to eligible retirees. The City pays 64% of the current monthly contribution rate for elected coverages for those retiring on or after January 1, 2017. For those retiring before that date the City will pay 80% or 65% of the current monthly rate for elected coverages depending on the date of retirement. The retiree is required to contribute the balance of the monthly contribution. All active employees who retire directly from the City and meet the eligibility criteria may participate. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 to pay related benefits.

Benefits Provided:

Participants are eligible for retirement under the covered retirement plan and with at least 20 years of service. Retirees retiring prior to January 1, 2017 contribute either 35% or 20% of the monthly cost of medical/dental coverage depending on the date of retirement. Retirees retiring on or after this date contribute 36% of the monthly cost of medical/dental coverage. Coverage continues for the life of the retiree as long as required contributions are made. Pre-age 65 medical benefits are provided through a PPO plan or a buy-up plan, both administered by Blue Cross Blue Shield. For age 65 and over benefits are provided through a Medicare supplement plan that includes an Rx benefit. Dental benefits are also provided.

During the year ended September 30, 2018, the City adopted the requirements of GASB State No. 75, recognizing the cost of postemployment benefits in the year when the employee services are received and recognizing the liability for OPEB obligations, known as the net OPEB liability, on the statement of net position. Changed in the net OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

Total OPEB Liability-

The City's total OPEB liability of \$6,845,665 was measured as of June 30, 2018 and was determined by an actuarial valuation as of September 30, 2018.

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

Inflation	2.5%
Salary increases, including inflation	3.50%
Discount rate, net of OPEB plan investment expense, including inflation	4.06%
Healthcare cost trends, flat annual	
Medical	5.00%
Dental	2.50%

The discount rate was selected by reviewing the recent published Bond Buyer GO-20 bond index. This is one of the indices acceptable under GASB 75. This index is published weekly and is trending toward 4.00% in recent months. We selected 4.06% as this discount rate for this valuation.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

The RP-2000 Table without projection with 50%/50% unisex blend has been used.

The actual assumptions used in the September 30, 2018 valuation was based on the results of ongoing evaluations from July 1, 2009 to June 30, 2018.

Changes in Total OPEB Liability:

Balance at September 30, 2018	<u>\$ 6,506,513</u>
Changes for the year:	
Service Cost	205,499
Interest	269,745
Differences between expected and actual experience	-
Benefit payments and net transfers	<u>(136,092)</u>
Net changes	<u>339,152</u>
Balance due at June 30, 2018	<u><u>\$ 6,845,665</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate- The following represents the total OPEB liability to the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current discount rate:

	1.0% Decrease <u>4.00%</u>	Current Discount Rate <u>5.00%</u>	1.0% Increase <u>6.00%</u>
Total OPEB Liability	\$ 5,554,436	\$ 6,845,665	\$ 8,609,038

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates- The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.06%) of 1-percentage point higher (5.06) than the current healthcare trend rates:

	1.0% Decrease <u>3.06%</u>	Current Discount Rate <u>4.06%</u>	1.0% Increase <u>5.06%</u>
Total OPEB Liability	\$ 8,445,041	\$ 6,845,665	\$ 5,657,673

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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

For the year ended September 30, 2018, the City recognized OPEB expense of \$475,244. At June 30, 2018, the City reported deferred inflows of resources related to OPEB for the differences between expected and actual experience.

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

Year Ended June 30,	
2019	\$0
2020	\$0
2021	\$0
2022	\$0
2023	\$0

Actuarial Value of Plan Assets- There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate- An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%

Investment Return Assumption (Discount Rate)- GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Mortality Rate- RPH-2014 Total Table with Projection MP-2017 was used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits- The "value of benefits" was assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid.

Inflation Rate- Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases- This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases- The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

At June 30, 2018, the City did not have any amounts owed to the OPEB plan.

Note 20

Subsequent Events

In February of 2019, a resolution to the proposed issuance of Utilities Revenue Bonds in an amount not to exceed \$2,600,000 authorizing the City officials to proceed with the preparation of documents required for the issuance of the bonds.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

The City of Rayne has evaluated subsequent events through March 28, 2019, the date which the financials were available to be issued.

Note 21 Beginning Net Position Adjustment

Upon receipt of the new OPEB calculation issued September 30, 2018, it was noted that a restatement needed to be made in the original posting of the OPEB liability. The effect of the restatement on the Government-wide Governmental Net Position – beginning of the year as well as the change in net position is \$4,897,234. There is no change in the governmental funds balance sheet fund balance or statement of revenues, expenditures and changes in fund balance.

Note 22 New Accounting Pronouncement

During the fiscal year ended August 31, 2018, the City of Rayne adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

Note 22 Deficit in Net Position

The City has a deficit in unrestricted net position in Governmental Activities of (\$8,316,675) caused by the net pension liability of \$4,041,086 and the net OPEB obligation of \$6,845,665.

Required Supplemental Information

CITY OF RAYNE, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2018

	2018			
	Budget		Actual	Variance-- Positive (Negative)
	Original	Final		
Revenues:				
Taxes--				
Ad valorem	\$ 225,579	\$ 232,389	\$ 230,956	(1,433)
Franchise	99,380	102,978	92,513	(10,465)
	<u>\$ 324,959</u>	<u>\$ 335,367</u>	<u>\$ 323,469</u>	<u>\$ (11,898)</u>
Intergovernmental revenue--				
Beer tax	\$ 10,832	\$ 9,599	\$ 14,045	4,446
Grants				
Federal	-	5,898	-	(5,898)
State	5,000	8,419	13,841	5,422
Housing authority payment in lieu of taxes	43,000	64,994	64,994	-
Video poker revenue	249,499	273,850	314,407	40,557
	<u>\$ 308,331</u>	<u>\$ 362,760</u>	<u>\$ 407,287</u>	<u>\$ 44,527</u>
Licenses and permits--				
Occupational licenses	\$ 344,956	\$ 300,653	\$ 298,078	\$ (2,575)
Permits	13,000	16,882	18,471	1,589
	<u>\$ 357,956</u>	<u>\$ 317,535</u>	<u>316,549</u>	<u>\$ (986)</u>
Charges for services				
Community center rent	\$ 75,000	\$ 82,867	\$ 70,784	\$ (12,083)
Fines and forfeits	\$ 106,118	\$ 98,025	\$ 98,629	\$ 604
Interest on investments	\$ 899	\$ 1,494	\$ 1,567	\$ 73
Miscellaneous revenue--				
Museum Income	\$ -	\$ -	\$ -	\$ -
Police Jury	24,000	16,000	16,000	-
Sale of land	-	-	-	-
Sale of abandoned equipment	1,466	4,462	4,462	-
Prisoner reimbursements	60,000	63,511	92,385	28,874
Other	41,011	156,265	204,472	48,207
	<u>\$ 126,477</u>	<u>\$ 240,238</u>	<u>317,319</u>	<u>\$ 77,081</u>
Total Revenues	<u>\$ 1,299,740</u>	<u>\$ 1,438,286</u>	<u>\$ 1,535,604</u>	<u>\$ 97,318</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2018

	2018			
	Budget		Actual	Variance-- Positive (Negative)
	Original	Final		
Expenditures:				
Current--				
General government	\$ 1,930,016	\$ 1,431,517	\$ 1,517,249	\$ (85,732)
Public safety	2,033,036	1,948,098	1,981,300	(33,202)
Public works	1,078,589	903,260	1,041,869	(138,609)
Public works - Storm Related Expenses	-	-	-	-
Culture and recreation	253,719	253,959	253,468	491
Total expenditures	<u>\$ 5,295,360</u>	<u>\$ 4,536,834</u>	<u>\$ 4,793,886</u>	<u>\$ (257,052)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (3,995,620)</u>	<u>\$ (3,098,548)</u>	<u>\$ (3,258,282)</u>	<u>\$ (159,734)</u>
Other sources (uses):				
Operating transfers in--				
Sales tax fund	\$ 1,980,000	\$ 1,980,000	\$ 1,980,000	\$ -
Utility	1,966,000	1,200,000	1,200,000	-
Sewer maintenance	-	-	-	-
Capital Lease	-	-	-	-
Operating transfers out--				
Certificate of Indebtedness Series 2003	-	-	-	-
Capital Lease	-	-	-	-
LCDBG	-	-	-	-
Total other sources	<u>\$ 3,946,000</u>	<u>\$ 3,180,000</u>	<u>\$ 3,180,000</u>	<u>\$ -</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (49,620)</u>	<u>\$ 81,452</u>	<u>\$ (78,282)</u>	<u>\$ (159,734)</u>
Fund balance, beginning of year	<u>1,040,887</u>	<u>1,040,887</u>	<u>1,040,887</u>	<u>-</u>
Fund balance, end of year	<u>\$ 991,267</u>	<u>\$ 1,122,339</u>	<u>\$ 962,605</u>	<u>\$ (159,734)</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

SPECIAL REVENUE FUNDS
 SALES TAX FUND
 BUDGETARY COMPARISON SCHEDULE
 For the Year Ended September 30, 2018

	2018			Variance-- Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes--				
Sales tax collections	\$ 2,120,990	\$ 2,200,000	\$ 2,341,503	\$ 141,503
Less fees and adjustments	(35,000)	(31,453)	(35,231)	(3,778)
Interest on investments	577	816	1,060	244
Miscellaneous income	-	-	-	-
Total revenues	<u>\$ 2,086,567</u>	<u>\$ 2,169,363</u>	<u>\$ 2,307,332</u>	<u>\$ 137,969</u>
Expenditures:				
Current--				
General government--				
Salaries	\$ 33,694	\$ 34,355	\$ 36,185	\$ (1,830)
Insurance	19,232	15,370	15,416	(46)
Payroll taxes	2,578	2,413	2,673	(260)
Administrative charge-- retirement system	3,598	4,464	4,621	(157)
Miscellaneous	1,230	525	895	(370)
Total expenditures	<u>\$ 60,332</u>	<u>\$ 57,127</u>	<u>\$ 59,790</u>	<u>\$ (2,663)</u>
Excess of revenues over expenditures	<u>\$ 2,026,235</u>	<u>\$ 2,112,236</u>	<u>\$ 2,247,542</u>	<u>\$ 135,306</u>
Other sources (uses):				
Operating transfer (out)--				
General Fund	\$ (1,980,000)	\$ (1,980,000)	\$ (1,980,000)	\$ -
Youth Recreation	(45,000)	(45,000)	(45,000)	-
Veteran's Park	-	-	-	-
Total other sources (uses)	<u>\$ (2,025,000)</u>	<u>\$ (2,025,000)</u>	<u>\$ (2,025,000)</u>	<u>\$ -</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 1,235	\$ 87,236	\$ 222,542	\$ 135,306
Fund balance, beginning of year	947,921	947,921	947,921	-
Fund balance, end of year	<u>\$ 949,156</u>	<u>\$ 1,035,157</u>	<u>\$ 1,170,463</u>	<u>\$ 135,306</u>

The following notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Schedule of Employer OPEB Contributions
For the year ended September 30, 2018

<u>Year ended September 30,</u>	<u>Contractually Determined Contribution</u>	<u>Contributions in Relation to Contractually Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2018	\$ 136,092	\$ 136,092	\$ -	\$ 2,064,698	6.6%

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

See accompanying independent auditor's report. The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Schedule of Changes in Net OPEB Liability and Related Ratios
For the year ended September 30, 2018

Total OPEB Liability

Service cost	\$	205,499
Interest		269,745
Changes of benefit terms		-
Differences between expected and actual experience		-
Changes of assumptions		-
Benefit payments		(136,092)
Net changes	\$	339,152
Total OPEB liability- beginning		6,506,513
Total OPEB liability- ending		6,845,665
Plan Fiduciary Net Position		-
Net OPEB Liability	\$	6,845,665
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		0.00%
Covered payroll	\$	2,064,698
Net OPEB liability as a percentage of covered payroll		331.56%

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

See accompanying independent auditor's report. The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Schedule of Employer's Proportionate Share of Net Pension Liability
 Required Supplementary Information Under GASB Statement No. 68
 For the year ended September 30, 2018

Fiscal Year Ended June 30	Employer Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Louisiana State Employees' Retirement System (LASERS)					
2018	.001211%	\$ 82,589	\$ 24,000	344.1%	64.3%
2017	.00125%	\$ 88,478	\$ 24,000	368.7%	62.5%
2016	.00125%	\$ 98,235	\$ 24,000	409.3%	57.7%
2015	.00120%	\$ 81,278	\$ 24,000	338.7%	62.70%
2014	.00133%	\$ 83,414	\$ 24,000	347.6%	65.0%
Louisiana Municipal Employees' Retirement System (MERS)					
2018	2.788250	\$ 2,358,390	\$ 2,066,308	114.1%	63.9%
2017	2.67062%	\$ 2,310,706	\$ 1,942,256	119.0%	63.5%
2016	2.64357%	\$ 2,191,281	\$ 1,895,389	115.6%	62.10%
2015	2.64268%	\$ 1,796,089	\$ 1,833,663	98.0%	66.20%
2014	2.54332%	\$ 1,194,079	\$ 1,586,161	75.3%	76.90%
Louisiana Municipal Police Employees' Retirement System (MPERS)					
2018	.247843	\$ 2,095,280	\$ 731,418	286.5%	71.9%
2017	.23480%	\$ 2,049,903	\$ 703,644	291.3%	63.5%
2016	.26214%	\$ 2,457,000	\$ 691,338	355.4%	66%
2015	.26844%	\$ 2,102,915	\$ 673,085	312.4%	70.70%
2014	.26704%	\$ 1,670,624	\$ 622,573	268.3%	75.10%

* Amounts presented were determined as of the measurement date (fiscal year ended June 30).

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

See Notes to this schedule on Page 59

See accompanying independent auditor's report. The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
Schedule of Employer Contributions
Required Supplementary Information Under GASB Statement No. 68
For the year ended September 30, 2018

Fiscal Year ended September 30,	Contributions in Relation to			Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Statutorily Required Contribution	Statutorily Required Contribution	Contribution Deficiency (Excess)		
Louisiana State Employees' Retirement System (LASERS)					
2018	\$ 9,624	\$ 9,624	\$ -	\$ 24,000	40.1%
2017	\$ 9,120	\$ 9,120	\$ -	\$ 24,000	38.0%
2016	\$ 9,137	\$ 9,137	\$ -	\$ 24,000	38.1%
2015	\$ 9,740	\$ 9,740	\$ -	\$ 24,000	40.6%
2014	\$ 9,383	\$ 9,383	\$ -	\$ 24,923	37.6%
Louisiana Municipal Employees' Retirement System (MERS)					
2018	\$ 277,840	\$ 277,840	\$ -	\$ 2,066,106	13.4%
2017	\$ 208,622	\$ 208,622	\$ -	\$ 1,942,256	10.7%
2016	\$ 186,854	\$ 186,854	\$ -	\$ 1,895,389	9.9%
2015	\$ 176,266	\$ 176,266	\$ -	\$ 1,855,436	9.5%
2014	\$ 161,129	\$ 161,129	\$ -	\$ 1,696,091	9.5%
Louisiana Municipal Police Employees' Retirement System (MPERS)					
2018	\$ 235,494	\$ 235,494	\$ -	\$ 755,773	31.2%
2017	\$ 222,552	\$ 222,552	\$ -	\$ 659,413	33.8%
2016	\$ 225,639	\$ 225,639	\$ -	\$ 703,644	32.1%
2015	\$ 224,844	\$ 224,844	\$ -	\$ 681,032	33.0%
2014	\$ 213,901	\$ 213,901	\$ -	\$ 645,803	33.1%

*Amounts presented were determined as of the end of the fiscal year (September 30).

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

See Notes to this schedule on page 59.

See accompanying independent auditor's report. The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Notes to Employer's Proportionate Share of Net Pension Liability and Schedule of Employer Contributions
Required Supplementary Information Under GASB Statement No. 68
For the year ended September 30, 2018

Changes of Benefit Terms

For MERS and MPERS, there were no changes of benefit terms for the four years ended June 30, 2018.

For LASERS, a 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Session, and, added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

Changes of Assumptions

For MERS, the investment rate of return was decreased from 7.4% to 7.275% and the inflation rate was decreased from 2.775% to 2.6% for the valuation dated June 30, 2018. The investment rate of return was decreased from 7.5% to 7.4% and the inflation rate was decreased from 2.875% to 2.775% for the valuation dated June 30, 2017. The investment rate of return was decreased from 7.75% to 7.5%, the rate for projected salary increases was decreased from 5.75% to 5.0%, and the rate of inflation was decreased from 3.0% to 2.875% for the valuation dated June 30, 2015.

For MPERS, the investment rate of return was decreased from 7.325% to 7.2% and the inflation rate was decreased from 2.7% to 2.6% for the valuation dated June 30, 2018. The investment rate of return was decreased from 7.5% to 7.325% and the inflation rate was decreased from 2.875% to 2.7% for the valuation dated June 30, 2017. The inflation rate was decreased from 3% to 2.875% and the salary growth rates were changed over various years of service for the valuation dated June 30, 2015.

For LASERS, the investment rate of return was decreased from 7.70% to 7.65% for the valuation dated June 30, 2018. The investment rate of return was decreased from 7.75% to 7.70% and the inflation rate was decreased from 3.00% to 2.75% for the valuation dated June 30, 2017.

Other Supplemental Schedules

CITY OF RAYNE, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
For the Year Ended September 30, 2018

	2018			
	Budget		Actual	Variance-- Positive (Negative)
	Original	Final		
General government:				
Administration--				
Salaries	\$ 143,812	\$ 146,632	\$ 146,068	\$ 564
Payroll taxes	105,358	115,380	118,437	(3,057)
Group insurance	570,130	469,901	459,487	10,414
General insurance	286,439	182,405	284,907	(102,502)
Publishing and recording	12,176	20,316	18,961	1,355
Administrative expense--				
Retirement system	448,595	78,526	78,478	48
Legal and professional	2,382	54,075	42,231	11,844
City promotion	-	7,878	6,251	1,627
Convention expense	2,400	5,577	5,734	(157)
Uniforms	700	-	732	(732)
Tax roll	7,965	5,262	5,262	-
Utilities & telephone	20,085	18,839	19,901	(1,062)
Dues and subscriptions	2,666	1,853	2,078	(225)
City Hall and ground maintenance	5,985	180	439	(259)
Grass cutting & demolition	-	-	-	-
Supplies & postage	-	1,345	995	350
Capital outlay	-	-	-	-
Festival expense	2,400	218	439	(221)
Miscellaneous	14,209	16,628	16,706	(78)
Civil engineering	20,103	37,759	39,213	(1,454)
	<u>\$ 1,645,405</u>	<u>\$ 1,162,774</u>	<u>\$ 1,246,319</u>	<u>\$ (83,545)</u>
City Court--				
Salaries	\$ 136,783	\$ 138,418	137,924	\$ 494
Supplies & Postage	8,597	11,274	10,432	842
Professional fees	70,606	61,718	64,814	(3,096)
Building and grounds maintenance	8,385	12,049	8,949	3,100
Rent expense	2,388	2,088	2,008	80
Small equipment expense	4,982	4,764	3,369	1,395
Uniforms	537	-	374	(374)
Retirement	21,201	10,868	9,624	1,244
Utilities	17,800	19,166	21,408	(2,242)
Miscellaneous	13,332	8,398	12,028	(3,630)
Capital outlay	-	-	-	-
	<u>\$ 284,611</u>	<u>\$ 268,743</u>	<u>\$ 270,930</u>	<u>(2,187)</u>
Total general government	<u>\$ 1,930,016</u>	<u>\$ 1,431,517</u>	<u>\$ 1,517,249</u>	<u>\$ (85,732)</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

GENERAL FUND
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
For the Year Ended September 30, 2018

	2018			
	Budget		Actual	Variance-- Positive (Negative)
	Original	Final		
Public Safety:				
Police Department--				
Salaries	\$ 1,085,090	\$ 1,005,172	\$ 1,016,472	\$ (11,300)
Prisoner care	52,160	60,565	90,089	(29,524)
Professional fees	6,928	13,582	10,990	2,592
Car maintenance and operations	121,074	162,667	156,525	6,142
Miscellaneous	37,135	53,996	52,382	1,614
Equipment maintenance	12,949	4,997	4,505	492
Uniforms	10,622	13,446	15,488	(2,042)
Utilities	46,000	43,501	47,356	(3,855)
Supplies	50,833	55,899	46,360	9,539
Building and ground maintenance	9,409	13,375	14,371	(996)
Building and equipment rental	12,126	7,906	7,581	325
Animal control	56,756	54,183	55,265	(1,082)
Contributions to state police pension fund	333,665	226,577	235,494	(8,917)
Capital outlay	52,512	91,961	84,304	7,657
	<u>\$ 1,887,259</u>	<u>\$ 1,807,827</u>	<u>\$ 1,837,182</u>	<u>\$ (29,355)</u>
Fire Department--				
Fire attendance	\$ 24,800	\$ 19,951	\$ 19,951	\$ -
Miscellaneous	2,527	28	19	9
Rentals on fire hydrants	23,000	23,000	23,000	-
	<u>\$ 50,327</u>	<u>\$ 42,979</u>	<u>\$ 42,970</u>	<u>\$ 9</u>
Permit Department--				
Salaries	\$ 76,452	\$ 77,951	\$ 79,901	\$ (1,950)
Office supplies	499	611	541	70
Utilities	1,870	1,618	1,617	1
Repairs & Maintenance	256	833	1,337	(504)
Capital outlay	-	-	-	-
Miscellaneous	8,158	4,693	6,390	(1,697)
	<u>\$ 87,235</u>	<u>\$ 85,706</u>	<u>\$ 89,786</u>	<u>\$ (4,080)</u>
Marshal Department--				
Supplies and fees	\$ 4,582	\$ 8,879	\$ 7,475	1,404

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
For the Year Ended September 30, 2018

	2018			
	Budget		Actual	Variance-- Positive (Negative)
	Original	Final		
Public Safety: (Continued)				
Police Reserves	\$ 3,633	\$ 2,707	\$ 3,887	\$ (1,180)
Total Public Safety	\$ 2,033,036	\$ 1,948,098	\$ 1,981,300	\$ (33,202)
Public Works:				
Salaries	\$ 556,384	\$ 527,480	\$ 604,890	\$ (77,410)
Street maintenance materials	24,291	14,293	76,912	(62,619)
Chemicals and supplies	10,400	14,484	12,635	1,849
Pest Control	19,372	1,758	26,988	(25,230)
Building and ground maintenance	9,675	9,718	13,102	(3,384)
Truck and tractor expense	120,868	159,101	171,358	(12,257)
Street lighting	43,000	43,000	43,000	-
Uniforms	19,470	21,038	20,330	708
Engineering Fees	27,327	24,335	34,101	(9,766)
Utilities	13,014	15,881	16,470	(589)
Miscellaneous	12,992	16,816	16,873	(57)
Equipment rentals	3,796	4,556	5,210	(654)
Capital outlay	218,000	50,800	-	50,800
Total Public Works	\$ 1,078,589	\$ 903,260	\$ 1,041,869	\$ (138,609)
Public Works - Storm Related Expenses	\$ -	\$ -	\$ -	\$ -
Culture and Recreation:				
Parks & Center -				
Salaries	\$ 66,325	\$ 74,729	\$ 73,472	\$ 1,257
Miscellaneous	13,260	23,939	17,596	6,343
Campground Expenses	2,144	4,979	4,900	79
Upkeep of building and grounds	21,880	15,013	20,790	(5,777)
Utilities	73,812	70,852	79,456	(8,604)
Janitorial supplies	8,398	10,837	10,673	164
Capital outlay	38,070	19,400	8,600	10,800
Vehicle expenses	-	-	1,031	(1,031)
Equipment maintenance & Rental	26,759	31,823	34,563	(2,740)
Total Parks and Center	\$ 250,648	\$ 251,572	\$ 251,081	\$ 491

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULES - EXPENDITURES
 For the Year Ended September 30, 2018

	2018			
	Budget		Actual	Variance-- Positive (Negative)
	Original	Final		
Culture and Recreation: (Continued)				
Museum -				
Salaries	\$ -	\$ -	\$ -	\$ -
Supplies	137	-	-	-
Building and ground upkeep	656	405	405	-
Capital Outlay	-	-	-	-
Utilities	1,776	1,837	1,837	-
Miscellaneous	502	145	145	-
Total Museum	<u>\$ 3,071</u>	<u>\$ 2,387</u>	<u>\$ 2,387</u>	<u>\$ -</u>
Total Culture and Recreation	<u>\$ 253,719</u>	<u>\$ 253,959</u>	<u>\$ 253,468</u>	<u>\$ 491</u>
Total Expenditures	<u>\$ 5,295,360</u>	<u>\$ 4,536,834</u>	<u>\$ 4,793,886</u>	<u>\$ (257,052)</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

SPECIAL REVENUE FUNDS
YOUTH RECREATION FUNDBUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2018

	2018			
	Budget		Actual	Variance-- Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes--ad valorem	\$ 158,028	\$ 163,650	\$ 162,641	\$ (1,009)
Charges for services				
Concession stand	48,224	44,566	44,566	-
Registration fees	58,041	53,227	56,627	3,400
Grant proceeds	-	-	-	-
Interest on investments	28	29	41	12
Miscellaneous income	1,603	100	100	-
Total Revenues	<u>\$ 265,924</u>	<u>\$ 261,572</u>	<u>\$ 263,975</u>	<u>\$ 2,403</u>
Current--				
Culture and recreation				
Salaries	\$ 115,927	\$ 111,108	\$ 115,362	\$ (4,254)
Labor	-	-	-	-
Engineering fees	-	-	-	-
Insurance	10,861	9,443	8,685	758
Repairs and maintenance	3,850	3,817	3,023	794
Youth basketball	4,641	1,520	1,520	-
Youth baseball	66,129	65,444	66,536	(1,092)
Youth football	1,615	1,829	3,313	(1,484)
Umpires & referees	16,810	13,439	13,439	-
Youth Camp	3,000	12,270	12,270	-
Material and supplies	2,010	3,041	2,343	698
Utilities	17,317	15,873	17,371	(1,498)
Building & Ground maintenance	5,327	3,264	2,977	287
Miscellaneous	27,403	30,783	31,445	(662)
Concession expense	35,534	27,941	26,886	1,055
Youth volleyball	179	1,139	1,140	(1)
Storm related	-	-	-	-
Capital outlay	9,045	31	-	31
Total expenditures	<u>\$ 319,648</u>	<u>\$ 300,942</u>	<u>\$ 306,310</u>	<u>\$ (5,368)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (53,724)</u>	<u>\$ (39,370)</u>	<u>\$ (42,335)</u>	<u>\$ (2,965)</u>
Other sources (uses)				
Operating transfer in (out)				
General Fund	\$ -	\$ -	\$ -	\$ -
Utility Fund	-	-	-	-
Sales Tax Fund	45,000	45,000	45,000	-
Total other sources	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ -</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (8,724)</u>	<u>\$ 5,630</u>	<u>\$ 2,665</u>	<u>\$ (2,965)</u>
Prior period adjustment	-	-	-	-
Fund balance (deficit), beginning of year	<u>89,531</u>	<u>58,050</u>	<u>58,050</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ 80,807</u></u>	<u><u>\$ 63,680</u></u>	<u><u>\$ 60,715</u></u>	<u><u>\$ (2,965)</u></u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

SPECIAL REVENUE FUNDS
SECTION 8--HOUSING ASSISTANCE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2018

	2018			Variance-- Favorable (Unfavorable)
	Budget		Actual	
	Original	Final		
Revenues:				
Intergovernmental revenues--				
Grant from Federal Government	\$ 295,206	\$ 386,320	\$ 401,438	\$ 15,118
Interest on investments	100	96	91	(5)
Other income	50,000	-	-	-
Total revenues	<u>\$ 345,306</u>	<u>\$ 386,416</u>	<u>\$ 401,529</u>	<u>\$ 15,113</u>
Expenditures:				
Current--				
Urban redevelopment and housing--				
Salaries	\$ 46,350	\$ 46,350	\$ 47,827	\$ (1,477)
Part-time labor	-	-	1,198	(1,198)
Professional fees	5,509	7,609	7,558	51
Meeting expense	2,000	855	978	(123)
Miscellaneous	12,187	8,986	7,585	1,401
Capital outlay	-	-	-	-
Payroll taxes	3,546	3,332	3,864	(532)
Utility assistance	550	1,638	1,684	(46)
Housing assistance	295,206	362,947	369,400	(6,453)
Total expenditures	<u>\$ 365,348</u>	<u>\$ 431,717</u>	<u>\$ 440,094</u>	<u>\$ (8,377)</u>
Excess of revenues over expenditures	\$ (20,042)	\$ (45,301)	\$ (38,565)	\$ (6,736)
Fund balance (deficit), beginning of year	<u>67,731</u>	<u>72,549</u>	<u>72,549</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 47,689</u>	<u>\$ 27,248</u>	<u>\$ 33,984</u>	<u>\$ (6,736)</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

UNEMPLOYMENT COMPENSATION FUND
 BUDGETARY COMPARISON SCHEDULE
 For the Year Ended September 30, 2018

	2018			
	Budget		Actual	Variance-- Favorable (Unfavorable)
	Original	Final		
Revenues:				
Contributions from other funds	\$ 12,844	\$ 18,800	\$ 18,715	\$ (85)
Interest on investments	209	209	280	71
Total Revenues	<u>\$ 13,053</u>	<u>\$ 19,009</u>	<u>\$ 18,995</u>	<u>\$ (14)</u>
Expenditures:				
Administrative fees	\$ 3,980	\$ 1,739	\$ 1,686	\$ 53
Excess of Revenues over Expenditures	<u>\$ 9,073</u>	<u>\$ 17,270</u>	<u>\$ 17,309</u>	<u>\$ 39</u>
Other Sources (Uses)				
Operating Transfers Out	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 9,073	\$ 17,270	\$ 17,309	\$ 39
Fund Balance, beginning of year	<u>189,454</u>	<u>190,337</u>	<u>190,337</u>	<u>-</u>
Fund Balance, end of year	<u>\$ 198,527</u>	<u>\$ 207,607</u>	<u>\$ 207,646</u>	<u>\$ 39</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

SPECIAL REVENUE FUNDS
 VETERAN'S PARK
 BUDGETARY COMPARISON SCHEDULE
 For the Year Ended September 30, 2018

	2018			Variance-- Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Sale of Bricks	\$ -	\$ 2,775	\$ 3,975	\$ 1,200
Total Revenues	\$ -	\$ 2,775	\$ 3,975	\$ 1,200
Expenditures:				
Current--				
Culture and Recreation				
Building and Grounds Upkeep	\$ -	\$ 3,351	\$ 3,351	\$ -
Miscellaneous	-	112	360	-
Capital Outlay	13,517	4,626	4,626	-
Total Expenditures	\$ 13,517	\$ 8,089	\$ 8,337	\$ -
Excess (deficiency) of revenues over expenditures	\$ (13,517)	\$ (5,314)	\$ (4,362)	\$ (1,200)
Other Sources (Uses)				
Operating Transfer General Fund	\$ -	\$ -	\$ -	\$ -
Total Other Sources (Uses)	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of sources and other sources over expenditures and other uses	\$ (13,517)	\$ (5,314)	\$ (4,362)	\$ (1,200)
Fund balance, beginning of year	-	-	-	\$ -
Fund balance, end of year	\$ (13,517)	\$ (5,314)	\$ (4,362)	\$ (1,200)

The following notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
SPECIAL REVENUE FUNDS
LCDBG FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2018

	2018			Variance-- Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Intergovernmental revenues--				
Grant from State Government	\$ 225,000	\$ 150,000	\$ 133,300	\$ (16,700)
Total Revenues	<u>\$ 225,000</u>	<u>\$ 150,000</u>	<u>\$ 133,300</u>	<u>\$ (16,700)</u>
Expenditures:				
Current--				
Urban redevelopment and housing--				
Administrative fees	\$ -	\$ -	\$ -	\$ -
Engineering Fees	-	-	-	-
Construction	225,000	150,000	133,300	(16,700)
Total Expenditures	<u>\$ 225,000</u>	<u>\$ 150,000</u>	<u>\$ 133,300</u>	<u>\$ (16,700)</u>
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ -
Other Sources (Uses)				
Operating Transfer General Fund	\$ -	\$ -	\$ -	\$ -
Total Other Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of sources and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

ENTERPRISE FUND
UTILITY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2018

	2018			
	Budget		Actual	Variance-- Favorable (Unfavorable)
	Original	Final		
Operating Revenues:				
Power customers	\$ 296,029	\$ 296,725	\$ 283,444	\$ (13,281)
Residential	4,328,166	5,012,561	5,247,481	234,920
Commercial	2,534,488	2,790,713	2,736,055	(54,658)
Street lighting	43,000	43,000	43,000	-
Water revenue	549,600	586,373	600,353	13,980
Fire hydrant rental	23,000	23,000	23,000	-
Delinquent charges	194,264	205,926	209,709	3,783
	<u>\$ 7,968,547</u>	<u>\$ 8,958,298</u>	<u>\$ 9,143,042</u>	<u>\$ 184,744</u>
Other operating revenue	693,793	656,931	674,502	17,571
Total Operating Revenues	<u>\$ 8,662,340</u>	<u>\$ 9,615,229</u>	<u>\$ 9,817,544</u>	<u>\$ 202,315</u>
Operating Expenses:				
Electric generating expense	\$ 4,494,258	\$ 5,789,718	\$ 5,884,550	\$ (94,832)
Electric distribution expense	478,473	491,173	508,106	(16,933)
Water department expense	337,099	350,034	371,465	(21,431)
Water treatment plant expense	403,419	474,359	472,310	2,049
Overhead expense	1,341,272	1,580,743	1,736,166	(155,423)
Warehouse expense	46,453	49,896	47,962	1,934
Total Operating Expenses	<u>\$ 7,100,974</u>	<u>\$ 8,735,923</u>	<u>\$ 9,020,559</u>	<u>\$ (284,636)</u>
Total Operating Income	\$ 1,561,366	\$ 879,306	\$ 796,985	\$ (82,321)
Non-Operating Revenues (expense)	\$ 80,298	\$ (5,301)	\$ (4,932)	\$ 369
Income before Operating Transfers	<u>\$ 1,641,664</u>	<u>\$ 874,005</u>	<u>\$ 792,053</u>	<u>\$ (81,952)</u>
Other sources (uses):				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
Operating transfers out	(1,966,000)	(1,200,000)	(1,200,000)	-
Total Other Sources	<u>\$ (1,966,000)</u>	<u>\$ (1,200,000)</u>	<u>\$ (1,200,000)</u>	<u>\$ -</u>
Net Income (Loss)	<u>\$ (324,336)</u>	<u>\$ (325,995)</u>	<u>\$ (407,947)</u>	<u>\$ (81,952)</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

ENTERPRISE FUND
 UTILITY FUND
 BUDGETARY COMPARISON SCHEDULE
 For the Year Ended September 30, 2018

	2018			
	Budget		Actual	Variance-- Favorable (Unfavorable)
	Original	Final		
Electric Generating Expense:				
Salaries	\$ 92,621	\$ 65,365	\$ 76,979	\$ (11,614)
Fuel	252	-	-	-
Repairs to generators	12,842	13,816	15,395	(1,579)
Purchased power	4,375,755	5,700,397	5,787,307	(86,910)
Miscellaneous	12,788	10,140	4,869	5,271
	<u>\$ 4,494,258</u>	<u>\$ 5,789,718</u>	<u>\$ 5,884,550</u>	<u>\$ (94,832)</u>
Electric Distribution Expense:				
Salaries and wages	\$ 270,399	\$ 319,761	\$ 324,134	\$ (4,373)
Line maintenance	36,786	51,525	62,083	(10,558)
Street light maintenance	11,278	15,914	9,497	6,417
Meter maintenance	9,714	7,961	6,901	1,060
Maintenance equipment	11,296	10,452	9,285	1,167
Truck operation and maintenance	35,412	55,418	62,882	(7,464)
Tools and supplies	64,063	4,014	4,218	(204)
Uniforms	10,345	11,316	10,463	853
Miscellaneous	29,180	14,812	18,643	(3,831)
	<u>\$ 478,473</u>	<u>\$ 491,173</u>	<u>\$ 508,106</u>	<u>\$ (16,933)</u>
Water Department Expense:				
Salaries and wages	\$ 281,869	\$ 283,872	\$ 299,930	\$ (16,058)
Well maintenance	2,901	3,186	4,634	(1,448)
Line maintenance	10,384	16,786	17,582	(796)
Meter maintenance	11,501	19,990	17,917	2,073
Uniforms	4,182	4,736	4,555	181
Truck operation and maintenance	18,391	12,115	14,651	(2,536)
Small tools and supplies	3,268	2,772	3,895	(1,123)
Engineering fees	-	-	227	(227)
Miscellaneous	4,603	6,577	8,074	(1,497)
	<u>\$ 337,099</u>	<u>\$ 350,034</u>	<u>\$ 371,465</u>	<u>\$ (21,431)</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

ENTERPRISE FUND
 UTILITY FUND
 BUDGETARY COMPARISON SCHEDULE
 For the Year Ended September 30, 2018

	2018			
	Budget		Actual	Variance-- Favorable (Unfavorable)
	Original	Final		
Water Treatment Plant:				
Salaries	\$ 180,005	\$ 202,962	\$ 192,728	\$ 10,234
Engineering fees	3,710	6,276	11,912	(5,636)
Chemicals	55,560	79,683	94,541	(14,858)
Tools and equipment maintenance	19,145	38,635	27,865	10,770
Building maintenance	2,511	2,857	2,811	46
Utilities	73,773	81,458	81,108	350
Miscellaneous	68,715	62,488	61,345	1,143
	<u>\$ 403,419</u>	<u>\$ 474,359</u>	<u>\$ 472,310</u>	<u>\$ 2,049</u>
Overhead Expenses:				
Salaries and wages	\$ 313,279	\$ 351,549	\$ 323,930	\$ 27,619
Payroll taxes	90,347	94,921	98,350	(3,429)
Group insurance	302,171	252,056	253,729	(1,673)
Professional fees	118,150	129,711	141,242	(11,531)
General insurance	153,801	154,110	170,189	(16,079)
Depreciation	-	262,569	267,781	(5,212)
Postage and supplies	65,369	63,363	62,002	1,361
Utilities	13,215	9,920	11,865	(1,945)
Equipment maintenance	17,285	11,900	-	11,900
Water damage	-	-	-	-
Pension expense	-	-	-	-
Bad debt expense	-	-	19,349	(19,349)
Promotions	32,169	32,433	41,112	(8,679)
Building and ground maintenance	16,102	20,137	10,194	9,943
Engineering fees	-	2,740	1,827	913
Miscellaneous	30,741	33,362	49,767	(16,405)
Administrative expense-Retirement	183,056	157,094	280,189	(123,095)
Uniforms	5,587	4,878	4,640	238
	<u>\$ 1,341,272</u>	<u>\$ 1,580,743</u>	<u>\$ 1,736,166</u>	<u>\$ (155,423)</u>
Warehouse Expense:				
Salaries and wages	\$ 42,833	\$ 45,252	\$ 44,667	\$ 585
Building and ground maintenance	1,483	1,333	1,396	(63)
Supplies	1,266	1,689	1,429	260
Miscellaneous	871	1,622	470	1,152
	<u>\$ 46,453</u>	<u>\$ 49,896</u>	<u>\$ 47,962</u>	<u>\$ 1,934</u>
Total Operating Expenses	<u>\$ 7,100,974</u>	<u>\$ 8,735,923</u>	<u>\$ 9,020,559</u>	<u>\$ (284,636)</u>

The accompanying notes are an integral part of this statement

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUND
UTILITY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2018

	2018			Variance-- Favorable (Unfavorable)
	Budget		Actual	
	Original	Final		
Non-Operating Revenue:				
Interest earned on investments	\$ 3,046	\$ 2,523	\$ 2,602	\$ 79
Claims from Insurance	5,000	-	-	-
Intergovernmental				
FEMA	-	-	-	-
State	75,000	-	-	-
Miscellaneous	9,000	4,254	4,747	493
	<u>\$ 92,046</u>	<u>\$ 6,777</u>	<u>\$ 7,349</u>	<u>\$ 572</u>
Non-Operating Expenses:				
Bond interest expense	\$ 11,748	\$ 12,078	\$ 12,111	\$ (33)
Storm Related expense	-	-	-	-
Loss on Disposal of Assets	-	-	-	-
Miscellaneous	-	-	170	(170)
	<u>\$ 11,748</u>	<u>\$ 12,078</u>	<u>\$ 12,281</u>	<u>\$ (203)</u>
Non-operating revenue (expenses)	<u><u>\$ 80,298</u></u>	<u><u>\$ (5,301)</u></u>	<u><u>\$ (4,932)</u></u>	<u><u>\$ 369</u></u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

ENTERPRISE FUND
SANITATION FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2018

	2018			
	Budget		Actual	Variance-- Favorable (Unfavorable)
	Original	Final		
Revenues:				
Operating Revenues:				
Charges for service	\$ 797,157	\$ 895,000	\$ 833,127	\$ (61,873)
Non-Operating Revenues:				
Miscellaneous income	-	-	-	-
Bond proceeds	225,000	108,952	-	(108,952)
Claims from insurance	-	-	-	-
Grant	-	-	-	-
Interest on investments	1	1	1	-
Total Revenues	<u>\$ 1,022,158</u>	<u>\$ 1,003,953</u>	<u>\$ 833,128</u>	<u>\$ (170,825)</u>
Expenditures:				
Current--				
Sanitation--				
Salaries	\$ 188,989	\$ 187,423	\$ 187,469	\$ (46)
Payroll taxes	14,458	13,195	14,941	(1,746)
Line maintenance	2,668	505	-	505
Repairs and maintenance	20,814	61,126	56,879	4,247
Insurance	13,056	11,435	11,917	(482)
Utilities/Telephone	71,940	81,905	75,684	6,221
Chemicals	165	1,612	1,305	307
Lab fees	12,832	15,018	14,527	491
Group insurance	28,460	22,153	21,435	718
Building & ground maintenance	284	2,029	651	1,378
Retirement system	29,293	20,555	56,974	(36,419)
Engineering fees	31,485	64,710	74,769	(10,059)
Department supplies	478	779	691	88
Storm related expenses	-	-	-	-
Miscellaneous	12,356	43,093	32,449	10,644
Pension expense	-	-	-	-
Depreciation	275,000	270,950	270,894	56
Bad debt	-	-	4,188	(4,188)
Bond interest	-	-	-	-
Total Expenditures	<u>\$ 702,278</u>	<u>\$ 796,488</u>	<u>\$ 824,773</u>	<u>\$ (28,285)</u>
Income before operating transfers	<u>\$ 319,880</u>	<u>\$ 207,465</u>	<u>\$ 8,355</u>	<u>\$ (199,110)</u>
Other sources (uses):				
Capital contributions	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	-	-	-
Operating transfers in	-	-	-	-
Total Other Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net income (loss)	<u>\$ 319,880</u>	<u>\$ 207,465</u>	<u>\$ 8,355</u>	<u>\$ (199,110)</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Combining Balance Sheet
Nonmajor Governmental Funds

For the Year Ended September 30, 2018

	Special Revenue					Total Nonmajor Governmental Funds
	Youth Recreation Fund	Section 8 Fund	Unemployment Compensation	Veteran's Park	LCDBG	
ASSETS						
Cash and cash equivalents	\$ 48,454	\$ 39,792	\$ 67,536	\$ 20,784	\$ -	\$ 176,566
Investments	25,434	-	140,110	-	-	165,544
Receivables	841	-	-	-	54,078	54,919
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
TOTAL ASSETS	\$ 74,729	\$ 39,792	\$ 207,646	\$ 20,784	\$ 54,078	\$ 397,029
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 2,583	\$ 33	\$ -	\$ 18	\$ 54,078	\$ 56,712
Accrued Payroll liabilities	11,431	5,775	-	-	-	17,206
Payable from restricted assets	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Matured bonds and interest payable	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Matured bonds and interest payable	-	-	-	-	-	-
Total Liabilities	\$ 14,014	\$ 5,808	\$ -	\$ 18	\$ 54,078	\$ 73,918
Fund balances:						
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	60,715	33,984	207,646	20,766	-	323,111
Total Fund Balances	\$ 60,715	\$ 33,984	\$ 207,646	\$ 20,766	\$ -	\$ 323,111
Total Liabilities and Fund Balances	\$ 74,729	\$ 39,792	\$ 207,646	\$ 20,784	\$ 54,078	\$ 397,029

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended September 30, 2018

	Special Revenue					Total	Total Nonmajor Governmental Funds
	Youth Recreation	Section 8	Unemployment Compensation	Veteran's Park	LCDBG		
REVENUES							
Ad valorem	\$ 162,641	\$ -	\$ -	\$ -	\$ -	\$ 162,641	\$ 162,641
Charges for services	101,193	-	-	-	-	101,193	101,193
Intergovernmental revenues							
State grants	-	-	-	-	-	-	-
Federal grants	-	401,438	-	-	133,300	534,738	534,738
Investment earnings	41	91	280	-	-	412	412
Other revenues	100	-	18,715	3,975	-	22,790	22,790
Total Revenues	\$ 263,975	\$ 401,529	\$ 18,995	\$ 3,975	\$ 133,300	\$ 821,774	\$ 821,774
EXPENDITURES							
General Government	\$ -	\$ -	\$ 1,686	\$ -	\$ -	\$ 1,686	\$ 1,686
Juvenile Program	-	-	-	-	-	-	-
Cultural and recreation	306,310	-	-	8,337	-	314,647	314,647
Urban Redevelopment and housing	-	440,094	-	-	133,300	573,394	573,394
Debt service	-	-	-	-	-	-	-
Principle retirement	-	-	-	-	-	-	-
Interest & Fiscal charges	-	-	-	-	-	-	-
Total Expenditures	\$ 306,310	\$ 440,094	\$ 1,686	\$ 8,337	\$ 133,300	\$ 889,727	\$ 889,727
Excess (Deficiency) of Revenues Over Expenditures	\$ (42,335)	\$ (38,565)	\$ 17,309	\$ (4,362)	\$ -	\$ (67,953)	\$ (67,953)
OTHER FINANCING SOURCES (USES)							
Transfers in	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000
Transfers out	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000
Net Change in Fund Balance	\$ 2,665	\$ (38,565)	\$ 17,309	\$ (4,362)	\$ -	\$ (22,953)	\$ (22,953)
Fund balances - beginning	58,050	72,549	190,337	25,128	-	346,064	346,064
Fund balances - ending	<u>\$ 60,715</u>	<u>\$ 33,984</u>	<u>\$ 207,646</u>	<u>\$ 20,766</u>	<u>\$ -</u>	<u>\$ 323,111</u>	<u>\$ 323,111</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Combined Schedule of Long-Term Debt
For the Year Ended September 30, 2018

	Issue Date	Final Maturity Date	Interest Rates	Payment Dates	Bonds		
					Issued	Retired	Outstanding
Utility Revenue Bonds - Utility Revenue Bonds, Series 2018 - Sewer*	3/1/18	3/1/2039	0.45%	3/1	\$ 108,000	\$ -	\$ 108,000
Certificated of Indebtedness, Series 2011	3/1/2011	3/1/2021	3.02%	3/1	\$ 1,000,000	\$ 664,000	\$ 336,000

* The Series 2018 bonds were issued in March 2018. As of the date of this report, only \$108,000 has been drawn and is outstanding.

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
Schedule of Insurance in Force
(Unaudited)

For the Year Ended September 30, 2018

Insurance / Agent	Risks Covered	Limits of Coverage	Expiration Date
Landmark America	Blanket Building, Structures Blanket Personal Property	12,399,080	1/1/19
Western Surety (CNA Surety)	Bond (City Tax Collector)	10,000	3/24/2019
	Bonds - City Court & City Clerk	90,000	Various
	Blanket - City Employees E&O	100,000	6/24/2019
National Casualty Co.	Rayne Civil Defense Auxiliary Police Death	12,500	8/23/2018
	Specific Loss	25,000	
	Accident Maximum	50,000	
Risk Management, Inc.	General Liability	500,000	4/25/2019
	Automobile Liability	500,000	4/25/2019
	Errors and Omissions	500,000	4/25/2019
	Law Enforcement Officer	500,000	4/25/2019
	Worker's Compensation	500,000	1/1/2019
Continental Casualty Company	Boiler and Machinery	25,000	1/20/2019
US Fire Insurance Company	Flag and Tackle Football Accidental Death and Medical	10,000	3/9/2019
	Basketball Accidental Death and Medical	10,000	6/3/2019
	Summer Baseball and Softball Medical	10,000	3/16/2019
	All- Star Baseball Liability/Medical	1,000,000	6/9/2019
US Fire Insurance Company	Just for Fun Camp Accident Policy	10,000	8/1/2018
	General Liability	1,000,000 / Occurrence	
		2,000,000 Aggregate	
US Fire Insurance Company	Athletic Officials Activities (YR)	10,000	1/17/2020
	Medical Benefits Officials	1,000,000 / Occurrence	
	General Liability for Officials	2,000,000 Aggregate	

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
 Combined Schedule of Investments - All Funds

For the Year Ended September 30, 2018

	<u>Financial Institution</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Utility				
Money Market Account	Rayne Bldg & Loan	0.65%	4/17/2019	\$ 100,000
Passbook	Bank of Commerce	0.20%		153,551
Passbook	Bank of Commerce	0.20%		210,761
				<u>\$ 464,312</u>
Sewer				
Passbook	Rayne State Bank	0.15%		1,036
				<u>\$ 1,036</u>
Unemployment Compensation				
Passbook	Bank of Commerce	0.20%		<u>\$ 140,110</u>
Youth Recreation				
Passbook	Rayne State Bank	0.20%		<u>\$ 25,434</u>
General				
Passbook	Bank of Commerce	0.20%		<u>\$ 108,599</u>
				<u><u>\$ 739,491</u></u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
For the Year Ended September 30, 2018

Agency Head Name: Charles E. Robichaux, Mayor (October 1, 2017- September 30, 2018)

Purpose	Amount
Salary	\$ 76,000
Benefits-insurance	-
Benefits-retirement	10,223
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	467
Travel	-
Dues	-
Registration fees	-
Conference travel	772
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	<hr/>
	\$ 87,462

The accompanying notes are an integral part of this statement.

Statistical Section

CITY OF RAYNE, LOUISIANA

STATISTICAL INFORMATION

Table 1

PROPERTY TAX LEVIES AND COLLECTION
FOR THE LAST TEN FISCAL YEARS

<u>Year</u>	<u>Valuation</u>	<u>Millage</u>	<u>Taxes</u>
2008-2009	29,605,318	12.10	358,230
2009-2010	30,043,738	12.10	363,535
2010-2011	30,005,218	12.10	363,069
2011-2012	29,844,448	12.10	360,579
2012-2013	29,975,173	12.10	362,706
2013-2014	32,356,043	12.10	391,514
2014-2015	31,550,213	12.10	380,825
2015-2016	31,770,915	12.10	378,972
2016-2017	32,056,915	12.10	387,895
2017-2018	32,730,055	12.10	393,597

Table 2

GENERAL REVENUES BY SOURCE*
FOR THE LAST FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Taxes	\$ 2,792,382	\$ 2,637,056	\$ 2,571,760	\$ 2,670,692	\$ 2,648,568
Licenses and permits	316,549	338,157	329,667	340,097	330,115
Intergovernmental	942,025	904,339	1,118,032	918,638	830,617
Charges for services	171,977	183,866	163,997	119,592	134,833
Fines	98,629	122,422	145,235	181,216	141,291
Miscellaneous	343,148	641,396	230,863	228,660	294,515
Totals	<u>\$ 4,664,710</u>	<u>\$ 4,827,236</u>	<u>\$ 4,559,554</u>	<u>\$ 4,458,895</u>	<u>\$ 4,379,939</u>

*Includes General, Special Revenue, and Debt Service Funds.

CITY OF RAYNE, LOUISIANA

STATISTICAL INFORMATION

Table 3

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION*
FOR THE LAST FIVE FISCAL YEARS

	2018	2017	2016	2015	2014
General governments	\$ 1,578,725	\$ 1,954,252	\$ 1,574,521	\$ 1,359,333	\$ 1,270,206
Public safety	1,981,300	1,863,315	1,858,846	1,810,428	1,768,944
Public works	1,041,869	929,082	981,353	713,742	747,874
Culture and recreation	568,115	661,361	662,257	774,320	635,818
Public works - storm related	-	1,739	5,845	-	2,640
Urban and housing redevelopment	573,394	458,348	726,656	367,633	357,479
Debt service	-	-	-	3,545	19,223
Totals	\$ 5,743,403	\$ 5,868,097	\$ 5,809,478	\$ 5,029,001	\$ 4,802,184

* Includes General, Special Revenue, and Debt Service Funds and Capital Project Funds.

Table 4

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL EXPENDITURES

	2018	2017	2016	2015	2014
Principal	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Total Debt Service	\$ -				
Total general expenditures	\$ 5,743,403	\$ 5,868,097	\$ 5,809,478	\$ 5,029,001	\$ 4,802,184
Ratio of debt service to total general expenditures	0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF RAYNE, LOUISIANA

STATISTICAL INFORMATION

Table 5

UTILITY REVENUE BOND COVERAGE
FOR THE LAST FIVE FISCAL YEARS

	2018	2017	2016	2015	2014
Gross revenues*	\$ 10,650,671	\$ 10,113,442	\$ 9,636,895	\$ 8,896,157	\$ 9,967,610
Operating expenditures**	8,429,262	7,983,175	7,999,595	7,944,138	8,172,663
Net available for debt service	\$ 2,221,409	\$ 2,130,267	\$ 1,637,300	\$ 952,019	\$ 1,794,947
Debt service requirements:					
Principal	\$ 106,000	\$ 101,000	\$ 97,000	\$ 490,000	\$ 477,000
Interest	11,748	14,873	17,863	43,017	65,255
Total	\$ 117,748	\$ 115,873	\$ 114,863	\$ 533,017	\$ 542,255
Coverage	18.9	18.4	14.3	1.8	3.3

* Includes revenue from all sources.

** Includes all expenditures except debt service interest and depreciation.

Table 6

GROSS SALARIES BY FUNCTION
FOR LAST FIVE FISCAL YEARS

	2018	2017	2016	2015	2014
General government	\$ 283,166	\$ 284,204	\$ 284,204	\$ 312,482	\$ 381,170
Public safety	1,096,373	1,025,382	1,057,417	1,008,884	952,753
Public works	604,890	559,471	560,133	382,356	359,814
Culture and recreations	188,834	183,306	189,688	214,019	182,316
Urban redevelopment and housing	47,827	45,078	42,322	34,605	31,089
Enterprise	1,449,837	1,385,810	1,445,556	1,481,894	1,342,221
Totals	\$ 3,670,927	\$ 3,483,251	\$ 3,579,320	\$ 3,434,240	\$ 3,249,363

**Compliance, Internal Control
and Other Information**

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

The Honorable Charles E. Robichaux
And the Board of Alderman
City of Rayne, Louisiana

We have audited, 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, the primary government financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rayne, Louisiana, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Rayne, Louisiana's basic primary government financial statements and have issued our report thereon dated March 28, 2019.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 certain deficiencies in internal control that we consider to be significant deficiencies which is described in the accompanying schedule of findings and correction action plan as items 2018-1, 2018-3 and 2018-4.

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The Honorable Charles E. Robichaux
And the Board of Alderman
City of Rayne, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Rayne, Louisiana's 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and corrective action plan as item 2018-2.

City of Rayne, Louisiana's Response to Findings

City of Rayne, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and corrective action plan. The City of Rayne, 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

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

Thibodeaux Accounting Company
A Limited Liability Company

Rayne, Louisiana
March 27, 2019

CITY OF RAYNE, LOUISIANA

Schedule of Corrective Action Taken on Prior Year Findings
For the Year Ended September 30, 2018

Significant Deficiencies - Financial Reporting Findings

2017-1 The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements including the related notes.

This matter is unresolved.

2017-3 Required HUD documents were not placed in files on a timely basis.

This matter is resolved.

2017-4 The City made a duplicate payment for general liability insurance.

This matter is resolved.

Material Weaknesses - Financial Reporting Findings

There were no instances of material weaknesses that were disclosed during the audit for the period ended September 30, 2017.

Non-Compliance - Financial Reporting Findings

There was 1 instance of non-compliance that was disclosed during the audit for the period ended September 30, 2017.

2017-2 Total actual expenses in the General Fund exceeded total budgeted expenses by 5% or more.

This matter is unresolved.

2017-5 The City paid sales tax on serveral purchases and they are tax exempt.

This matter is resolved.

CITY OF RAYNE, LOUISIANA

Schedule of Corrective Action Taken on Prior Year Findings
For the Year Ended September 30, 2018
(Continued)

Findings and questioned costs relating to federal programs.

There were no findings or questioned costs relating to federal programs.

Management Letter

No management letter was issued for the year ended September 30, 2018.

CITY OF RAYNE, LOUISIANA

Schedule of Findings and Corrective Action Plan
For the Year Ended September 30, 2018

Part 1

Summary of Auditor's Results

Financial Statements

Auditor's Report

Since the City did not present all of its component units, an adverse opinion was issued for the City of Rayne as a reporting entity, however, an unmodified opinion has been issued on the primary government financial statements of the City of Rayne as of and for the year ended September 30, 2018.

Internal Control - Financial Reporting

There were three significant deficiencies in internal control over financial reporting required to be disclosed during the audit of the financial statements for the period ended September 30, 2018 which are identified as 2018-1, 2018-3 and 2018-4. There were no material weaknesses in internal control over financial reporting required to be disclosed during the audit of the financial statements.

Noncompliance - Financial Reporting

There was one instance of noncompliance that was disclosed during the audit of the financial statements for the period ended September 30, 2018, which is identified as 2018-2.

CITY OF RAYNE, LOUISIANA

Schedule of Findings and Corrective Action Plan
For the Year Ended September 30, 2018

Part 2 Findings Relating to an audit in accordance with Government Auditing Standards.

2018-1 Finding: Financial statements not in accordance with GAAP

The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing the financial statements including the related notes.

Criteria:

The reporting entity should be able to prepare financial statements in accordance with GAAP without any outside assistance.

Cause of Condition:

The City does not have the funds to hire someone or outsource this function.

Effect of Condition:

The financial statements may not be prepared in accordance with GAAP.

Recommendation:

We recommend that the City outsource this task to ensure the recording of the City's financial transactions in accordance with GAAP.

Corrective Action Plan:

The City has evaluated the cost vs. benefits of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the City to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation. Mayor Charles Robichaux is the responsible party and there is no date of expected correction.

2018-2 Finding: Budget Violation

Total actual revenues in the LCDBG fund fell short of budgeted revenues by 5% or more.

Criteria:

Louisiana Revised Statute 39:1311 states that total budgeted revenues should not be more than 5% of total actual revenues.

Cause of Condition:

Management did not properly amend the budget and actual revenues fell short of budgeted revenues by more than 5% in the LCDBG fund for the fiscal year ended September 30, 2018.

CITY OF RAYNE, LOUISIANA

Schedule of Findings and Corrective Action Plan (continued)
For the Year Ended September 30, 2018

Effect of Condition:

The City could spend funds in excess of budgeted amounts.

Recommendation:

The City should comply with Louisiana Revised Statute 39:1309 and amend its budget upon a change in operations or conditions. The City should closely monitor budget to actual comparisons near year end so that required amendments are made.

Corrective Action Plan:

The City will utilize the budget and make revisions as they become necessary to ensure compliance with State Law. City Clerk Annette Cutrera is the responsible party, and the City estimates this to be resolved by September 30, 2019.

2018-3 Finding: Citations were not accounted for.

The police department should account for all citations given in a timely manner.

Criteria:

Louisiana Revised Statute 32.398.1 requires that each agency shall maintain a record of each book and each citation therein and shall require and retain receipt of each book issued.

Cause of Condition:

The police department had an officer that left employment in the fiscal year and did not account for citations he had given.

Effect of Condition:

The City could be non-compliant with Louisiana Revised Statute 32.398.1 and citations could be voided if not accounted for timely.

Recommendation:

The City should have a policy to ensure that documents are maintained and processed timely as required by Louisiana Revised Statute 32.398.1. The City should have internal controls to ensure the records are properly maintained.

Corrective Action Plan:

The Chief of Police has implemented an internal control that will monitor the tickets and ensure records are maintained in accordance with Louisiana Revised Statute 32.398.1. Police Chief Carol Stelly is the responsible party and the City has resolved this issue as of the date of the report.

CITY OF RAYNE, LOUISIANA

Schedule of Findings and Corrective Action Plan (continued)
For the Year Ended September 30, 2018

2018-4 Finding: Invoices for a recurring expense were not accounted for.

The City had not received monthly invoices from a vendor for a recurring expense throughout the fiscal year.

Criteria:

The City should have internal controls in place to ensure that all invoices are accounted for and accurately paid.

Cause of Condition:

The City did not realize that they were not receiving a monthly bill and that the related expense and payable was not being reflected in the financial statements.

Effect of Condition:

Financial statements could be misstated and payables could be owed that management is not being made aware of.

Recommendation:

The City should have policies and procedures in place to ensure that all recurring expenses are accounted for and invoices are paid accurately and timely.

Corrective Action Plan:

The Clerk will monitor recurring invoices and ensure that they are being paid accurately and timely. City Clerk Annette Cutrera is the responsible party and the City estimates this to be resolved by September 30, 2019.

City of Rayne, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period October 1, 2017- September 30, 2018

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES ON CONTROL AND COMPLIANCE AREAS IDENTIFIED BY THE LOUISIANA LEGISLATIVE AUDITOR

The Honorable Charles E. Robichaux, Mayor
And the Board of Alderman
City of Rayne, Louisiana

March 28, 2019

We have performed the procedures enumerated below, which were agreed to by the management of the City of Rayne, Louisiana (City) and the 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 October 1, 2017 through September 30, 2018. 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 the applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the City's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the City's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
No exceptions noted.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
Exception noted. The policy does not address how vendors are added to the vendor list.
 - c) ***Disbursements***, including processing, reviewing, and approving
No exceptions noted.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Exception noted. There are no written policies and procedures.

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

Exception noted. There are no written policies and procedures.

Board (or Finance Committee, if applicable)

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

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

No exceptions noted.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Exception noted. The City was made aware of this requirement in February 2018 and has corrected the minutes to reference budget to actual comparisons going forward.

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

Not applicable.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the City's main operating account. Select the City's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Obtained a listing of client bank accounts for the fiscal period and management's representation that the listing is complete. Management identified the City's main operating account and four (4) additional accounts were randomly selected.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions noted.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Observed that two (2) of the selected accounts had outstanding items greater than 12 months. Documentation reflecting research of these items could not be obtained.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

The City only has one deposit site. Management's representation was obtained.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:

The City only has one collection location. Management's representation that the listing is complete was obtained.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

No exceptions noted.

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

No exceptions noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions noted.

- d) The employees responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted.

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

As per inquiry of management, all employees who are responsible for collecting cash are bonded.

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

Randomly selected two (2) deposit dates for the bank accounts selected under procedures #3.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

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

The City of Rayne only has one location. We obtained management's representation that the listing is complete.

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

Obtained a listing of those employees involved with non-payroll purchasing and payment functions. Inquired of employees about their job duties.

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

No exceptions noted.

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

No exceptions noted.

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

One of the clerks can process payments and add/modify vendor files.

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

No exception noted.

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

Obtained the City's disbursement transaction population and excluded cards, travel reimbursements and payroll.

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

No exceptions noted.

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

Exception noted. No evidence of segregation of duties.

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

11. 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.

Received listing from management. We obtained management's representation that the listing is complete.

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g. mayor of a Lawrason Act municipality); these instances should not be reported)]

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Travel and Travel-Related Expense Reimbursement (excluding card transactions)

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

Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete. Selected five of the reimbursements and obtained supporting documentation.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions noted.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Exception noted. A \$5 cash tip was reimbursed without proper backup.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions noted.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions noted.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions noted.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

No exceptions noted.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Exceptions noted. Of the five contracts tested, two invoices did not match the contracted amounts.

Payroll and Personnel

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

- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

No exceptions noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Exception noted. The City has corrected this in 2018 after being made aware of the requirement.

- c) Observe that any leave accrued or taken during the pay period is reflected in the City's cumulative leave records.

No exceptions noted.

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

No exceptions noted.

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

Obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, and associated forms, have been filed by required deadlines.

Ethics (excluding nonprofits)

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

Obtained ethics documentation for the employees selected under Procedures #16.

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

No exceptions noted.

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

Exception noted. The City does not have an ethics policy.

Debt Service (excluding nonprofits)

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

No exception noted.

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

No exception noted.

Other

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

No misappropriations noted.

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

No exceptions noted.

Management's Response

The management of The City of Rayne, Louisiana concurs with the exceptions and are working to address the deficiencies identified.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we did 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. This report is intended solely for use by the City's management and the LLA. Accordingly, this report is not suitable for any other purpose and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statue 24:513, this report is distributed by the LLA as a public document.

Thibodeaux Accounting Company

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