

**CITY OF NEW IBERIA, LOUISIANA**

Financial Report

Year Ended October 31, 2017

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# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.  
Lafayette, LA 70508 Baton Rouge, LA 70816  
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1234 David Dr. Ste. 203  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.  
Ville Platte, LA 70586 Oberlin, LA 70655  
Phone (337) 363-2792 Phone (337) 639-4737

## INDEPENDENT AUDITOR'S REPORT

\* A Professional Accounting Corporation

WWW.KCSRCPAS.COM

The Honorable Freddie DeCourt, Mayor,  
and Members of the City Council  
City of New Iberia, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Iberia, Louisiana, (the City) as of and for the year ended October 31, 2017, 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 did not audit the financial statements of the City Court of New Iberia and the New Iberia City Marshal, which represent 100% of the assets, net position and revenues of the aggregate discretely presented components. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City Court of New Iberia and the New Iberia City Marshal, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Iberia, Louisiana, as of October 31, 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the schedules of employer's share of net pension liability and employer contributions on pages 53 through 61 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 and other auditors 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 City of New Iberia 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 New Iberia, Louisiana's basic financial statements. The other supplementary information on pages 63 through 77 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and comparative statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The prior year comparative information on the comparative statements has been derived from the City of New Iberia's 2016 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements from which they have been derived.

The various schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2018 on our consideration of the City of New Iberia, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Lafayette, Louisiana  
March 21, 2018

**BASIC FINANCIAL STATEMENTS**

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

CITY OF NEW IBERIA, LOUISIANA

Statement of Net Position  
October 31, 2017

|  | Primary Government         |                             |                      | Component<br>Units  |
|--|----------------------------|-----------------------------|----------------------|---------------------|
|  | Governmental<br>Activities | Business-Type<br>Activities | Total                |                     |
| <b>ASSETS</b>                            |                            |                             |                      |                     |
| Cash and interest-bearing deposits       | \$ 13,522,516              | \$ 3,000,088                | \$ 16,522,604        | \$ 72,827           |
| Accounts receivable                      | 331,208                    | 316,954                     | 648,162              | 3,100               |
| Assessments receivable                   | 14,436                     | -                           | 14,436               | -                   |
| Due from other governmental units        | 2,161,730                  | 121,366                     | 2,283,096            | -                   |
| Due from other external parties          | -                          | -                           | -                    | 20,405              |
| Real estate held for resale              | 61,343                     | -                           | 61,343               | -                   |
| Prepaid expenses                         | 874                        | -                           | 874                  | -                   |
| Restricted assets                        | -                          | 311,598                     | 311,598              | -                   |
| Capital assets:                          |                            |                             |                      |                     |
| Non-depreciable                          | 3,654,616                  | 1,520,979                   | 5,175,595            | -                   |
| Depreciable, net                         | <u>37,795,046</u>          | <u>44,570,783</u>           | <u>82,365,829</u>    | <u>22,858</u>       |
| Total assets                             | <u>57,541,769</u>          | <u>49,841,768</u>           | <u>107,383,537</u>   | <u>119,190</u>      |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>    |                            |                             |                      |                     |
| Deferred loss on refunding               | 1,401,677                  | 33,696                      | 1,435,373            | -                   |
| Deferred outflows of resources - pension | <u>2,467,072</u>           | <u>644,905</u>              | <u>3,111,977</u>     | <u>230,417</u>      |
| Total deferred outflows of resources     | <u>3,868,749</u>           | <u>678,601</u>              | <u>4,547,350</u>     | <u>230,417</u>      |
| <b>LIABILITIES</b>                       |                            |                             |                      |                     |
| Cash overdraft                           | 294,039                    | -                           | 294,039              | -                   |
| Accounts and other payables              | 684,379                    | 148,184                     | 832,563              | 6,387               |
| Accrued interest                         | 288,457                    | 102,875                     | 391,332              | -                   |
| Unearned revenue                         | 198,670                    | -                           | 198,670              | -                   |
| Long-term liabilities:                   |                            |                             |                      |                     |
| Portion due or payable within one year   | 1,800,400                  | 429,778                     | 2,230,178            | -                   |
| Portion due or payable after one year    | 19,621,157                 | 9,926,524                   | 29,547,681           | -                   |
| Other post employment benefits payable   | 5,289,900                  | -                           | 5,289,900            | -                   |
| Net pension liability                    | <u>11,361,116</u>          | <u>2,534,665</u>            | <u>13,895,781</u>    | <u>601,427</u>      |
| Total liabilities                        | <u>39,538,118</u>          | <u>13,142,026</u>           | <u>52,680,144</u>    | <u>607,814</u>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>     |                            |                             |                      |                     |
| Deferred inflows of resources - pension  | <u>1,386,403</u>           | <u>167,068</u>              | <u>1,553,471</u>     | <u>19,748</u>       |
| <b>NET POSITION</b>                      |                            |                             |                      |                     |
| Net investment in capital assets         | 22,005,491                 | 35,916,933                  | 57,922,424           | 22,858              |
| Restricted for:                          |                            |                             |                      |                     |
| Capital projects                         | 4,969,426                  | -                           | 4,969,426            | -                   |
| Debt service                             | 513,274                    | 208,723                     | 721,997              | -                   |
| Sales tax dedications                    | 5,572,232                  | -                           | 5,572,232            | -                   |
| Other                                    | 104,310                    | -                           | 104,310              | -                   |
| Unrestricted                             | <u>(12,678,736)</u>        | <u>1,085,619</u>            | <u>(11,593,117)</u>  | <u>(300,813)</u>    |
| Total net position                       | <u>\$ 20,485,997</u>       | <u>\$ 37,211,275</u>        | <u>\$ 57,697,272</u> | <u>\$ (277,955)</u> |

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

CITY OF NEW IBERIA, LOUISIANA

Statement of Activities  
For the Year Ended October 31, 2017

| Activities   | Expenses     | Program Revenues                         |  |  | Net (Expense) Revenue and Change in Net Position |                             |                |                    |
|--|--------------|--|--|--|--|-----------------------------|----------------|--------------------|
|  |              | Fees, Fines, and<br>Charges for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Primary Government                               |                             |                | Component<br>Units |
|  |              |  |  |  | Governmental<br>Activities                       | Business-Type<br>Activities | Total          |                    |
| <b>Primary Government</b>                                      |              |  |  |  |  |                             |                |                    |
| Governmental activities:                                       |              |  |  |  |  |                             |                |                    |
| General government   | \$ 2,517,203 | \$ 24,515                                | \$ 43,066                                | \$ 4,097                               | \$ (2,445,525)                                   | \$ -                        | \$ (2,445,525) | \$ -               |
| Public safety  | 11,783,019   | 237,724                                  | 434,120                                  | -                                      | (11,111,175)                                     | -                           | (11,111,175)   | -                  |
| Public works   | 7,721,148    | 52,698                                   | 7,361                                    | 671,734                                | (6,989,355)                                      | -                           | (6,989,355)    | -                  |
| Culture and recreation   | 1,423,793    | 144,499                                  | 5,129                                    | 85,016                                 | (1,189,149)                                      | -                           | (1,189,149)    | -                  |
| Urban redevelopment and housing                                | 1,288,568    | -  | 1,291,548                                | -                                      | 2,980  | -                           | 2,980          | -                  |
| Unallocated depreciation                                       | 2,187,310    | -  | -  | -                                      | (2,187,310)                                      | -                           | (2,187,310)    | -                  |
| Interest on long-term debt                                     | 780,008      | -  | -  | -                                      | (780,008)  | -                           | (780,008)      | -                  |
| Total governmental activities                                  | 27,701,049   | 459,436                                  | 1,781,224                                | 760,847                                | (24,699,542)                                     | -                           | (24,699,542)   | -                  |
| Business-type activities:                                      |              |  |  |  |  |                             |                |                    |
| Wastewater   | 5,930,254    | 5,031,442                                | -  | 504,563                                | -  | (394,249)                   | (394,249)      | -                  |
| Total primary government                                       | 33,631,303   | 5,490,878                                | 1,781,224                                | 1,265,410                              | -  | (394,249)                   | (394,249)      | -                  |
| <b>Component units:</b>  |              |  |  |  |  |                             |                |                    |
| City Court   | 677,705      | 290,949                                  | 156,399                                  | -                                      | -  | -                           | -              | (230,357)          |
| City Marshal   | 127,619      | 46,464                                   | 72,100                                   | -                                      | -  | -                           | -              | (9,055)            |
| Total component units  | 805,324      | 337,413                                  | 228,499                                  | -                                      | -  | -                           | -              | (239,412)          |
| <b>General revenues:</b>                                       |              |  |  |  |  |                             |                |                    |
| Taxes -  |              |  |  |  |  |                             |                |                    |
| Ad valorem taxes   |              |  |  |  | 4,588,093  | -                           | 4,588,093      | -                  |
| Sales and use taxes  |              |  |  |  | 12,958,612                                       | -                           | 12,958,612     | -                  |
| Franchise taxes  |              |  |  |  | 1,834,372  | -                           | 1,834,372      | -                  |
| Occupational   |              |  |  |  | 1,389,460  | -                           | 1,389,460      | -                  |
| Grants and contributions not restricted to specific programs - |              |  |  |  |  |                             |                |                    |
| Non-employer pension contributions                             |              |  |  |  | 340,440  | 37,292                      | 377,732        | -                  |
| Investment income  |              |  |  |  | 166,759  | 46,829                      | 213,588        | -                  |
| Miscellaneous  |              |  |  |  | 1,367,985  | 3,684                       | 1,371,669      | 131,770            |
| Gain on sale of capital assets                                 |              |  |  |  | 502  | 585                         | 1,087          | -                  |
| Transfers  |              |  |  |  | 26,630   | (26,630)                    | -              | -                  |
| Total general revenues and transfers                           |              |  |  |  | 22,672,853                                       | 61,760                      | 22,734,613     | 131,770            |
| Change in net position   |              |  |  |  | (2,026,689)                                      | (332,489)                   | (2,359,178)    | (107,642)          |
| Net position - November 1, 2016                                |              |  |  |  | 22,512,686                                       | 37,543,764                  | 60,056,450     | (170,313)          |
| Net position - October 31, 2017                                |              |  |  |  | \$ 20,485,997                                    | \$ 37,211,275               | \$ 57,697,272  | \$ (277,955)       |

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **MAJOR FUND DESCRIPTIONS**

### **General Fund**

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

### **Special Revenue Funds**

#### **Sales Tax Fund -**

This fund accounts for the receipts and disbursements of proceeds from the City's 1960 one percent and the 1981 quarter percent sales and use tax levies. The one percent tax is dedicated for the support and maintenance of the police and fire departments, the construction and improvement of streets, bridges, or sewerage and for any work of permanent public improvement, including the cost of construction and improving sewers and sewerage disposal works in the City. The quarter percent tax is dedicated to supplement the cost of salaries of City employees, including employee benefits.

#### **Garbage Fund -**

This fund accounts for the receipts and disbursements of proceeds from the City's 1971 and 1993 quarter percent sales and use tax levies. The 1971 quarter percent is dedicated for operating, maintaining and improving the City's garbage waste collection and disposal facilities and purchasing and acquiring the land and equipment necessary in connection with the operation of said facilities. The 1993 quarter percent sales tax is dedicated to supplement other sales revenues of the City to pay the costs of solid waste collection and disposal, including the cost of the City's recycling program. The remaining proceeds of the tax is to be expended for the purpose of paying the cost of the salaries of City employees, including the payment of employee benefits.

#### **Public Works Fund -**

This fund accounts for the receipts and disbursements of proceeds from the City's 3.45 mills ad valorem taxes, fees, and monies received from the State for upkeep of streets. These taxes and receipts are dedicated to expenditures for streets, sidewalks, drains, drainage canals, and sub-surface drainage or any other work of permanent public improvement.

### **Capital Projects Fund**

#### **Drainage Fund -**

This fund accounts for the receipt and disbursement of the excess collections of the Iberia Parish Government mosquito control sales tax. The City utilizes these funds for drainage maintenance and improvement.

### **Enterprise Fund**

#### **Sewerage Fund -**

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

CITY OF NEW IBERIA, LOUISIANA

Balance Sheet  
Governmental Funds  
October 31, 2017

|  | General             | Sales Tax         | Garbage           | Public Works      | Drainage            | Other Governmental Funds | Total                |
|--|---------------------|-------------------|-------------------|-------------------|---------------------|--------------------------|----------------------|
| <b>ASSETS</b>                            |                     |                   |                   |                   |                     |                          |                      |
| Cash and interest-bearing deposits       | \$ 6,492,662        | \$ -              | \$ -              | \$ 193,599        | \$ 4,951,709        | \$ 1,838,499             | \$ 13,476,469        |
| Receivables:                             |                     |                   |                   |                   |                     |                          |                      |
| Accounts                                 | 326,429             | -                 | -                 | -                 | -                   | 4,779                    | 331,208              |
| Assessments                              | -                   | -                 | -                 | -                 | -                   | 14,436                   | 14,436               |
| Due from other governmental units        | 216,206             | 697,084           | 278,834           | -                 | -                   | -                        | 1,192,124            |
| Prepaid expenses                         | 874                 | -                 | -                 | -                 | -                   | -                        | 874                  |
| Real estate held for resale              | 61,343              | -                 | -                 | -                 | -                   | -                        | 61,343               |
| Total assets                             | <u>\$ 7,097,514</u> | <u>\$ 697,084</u> | <u>\$ 278,834</u> | <u>\$ 193,599</u> | <u>\$ 4,951,709</u> | <u>\$ 1,857,714</u>      | <u>\$ 15,076,454</u> |
| <b>LIABILITIES AND FUND BALANCES</b>     |                     |                   |                   |                   |                     |                          |                      |
| Liabilities:                             |                     |                   |                   |                   |                     |                          |                      |
| Overdraft                                | \$ -                | \$ 209,075        | \$ 24,484         | \$ -              | \$ -                | \$ 14,436                | \$ 247,995           |
| Accounts payable                         | 89,551              | -                 | 180,918           | 61,814            | 27,421              | 10,452                   | 370,156              |
| Contracts payable                        | 35,730              | -                 | -                 | -                 | -                   | -                        | 35,730               |
| Retainage payable                        | 5,979               | -                 | -                 | -                 | 2,500               | -                        | 8,479                |
| Accrued liabilities                      | 196,458             | -                 | -                 | 37,427            | -                   | 31,998                   | 265,883              |
| Unearned revenue                         | 11,225              | -                 | -                 | -                 | -                   | 187,445                  | 198,670              |
| Total liabilities                        | <u>338,943</u>      | <u>209,075</u>    | <u>205,402</u>    | <u>99,241</u>     | <u>29,921</u>       | <u>244,331</u>           | <u>1,126,913</u>     |
| Fund balances -                          |                     |                   |                   |                   |                     |                          |                      |
| Restricted:                              |                     |                   |                   |                   |                     |                          |                      |
| Tax dedications                          | 3,887,705           | 488,009           | 73,432            | -                 | -                   | -                        | 4,449,146            |
| Construction of capital assets           | -                   | -                 | -                 | -                 | -                   | 119,349                  | 119,349              |
| Purpose of grantors, trustees and donors | -                   | -                 | -                 | -                 | -                   | 104,310                  | 104,310              |
| Debt service                             | -                   | -                 | -                 | -                 | -                   | 801,731                  | 801,731              |
| Drainage                                 | -                   | -                 | -                 | -                 | 4,921,788           | -                        | 4,921,788            |
| Committed:                               |                     |                   |                   |                   |                     |                          |                      |
| Operations                               | -                   | -                 | -                 | 94,358            | -                   | 63,250                   | 157,608              |
| Disaster relief                          | -                   | -                 | -                 | -                 | -                   | 524,743                  | 524,743              |
| Unassigned                               | 2,870,866           | -                 | -                 | -                 | -                   | -                        | 2,870,866            |
| Total fund balances                      | <u>6,758,571</u>    | <u>488,009</u>    | <u>73,432</u>     | <u>94,358</u>     | <u>4,921,788</u>    | <u>1,613,383</u>         | <u>13,949,541</u>    |
| Total liabilities and fund balances      | <u>\$ 7,097,514</u> | <u>\$ 697,084</u> | <u>\$ 278,834</u> | <u>\$ 193,599</u> | <u>\$ 4,951,709</u> | <u>\$ 1,857,714</u>      | <u>\$ 15,076,454</u> |

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

CITY OF NEW IBERIA, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
October 31, 2017

|   |                    |                     |
|---|--------------------|---------------------|
| Total fund balances for governmental funds at October 31, 2017  |                    | \$13,949,541        |
| Total net position reported for governmental activities in the statement of net position is different because:  |                    |                     |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Those assets consist of:     |                    |                     |
| Land and construction in progress   | \$ 3,654,616       |                     |
| Land improvements, net of \$1,031,913 accumulated depreciation  | 852,585            |                     |
| Buildings and improvements, net of \$4,760,461 accumulated depreciation   | 3,866,330          |                     |
| Equipment, net of \$6,454,942 accumulated depreciation  | 1,313,901          |                     |
| Infrastructure, net of \$58,072,748 accumulated depreciation  | <u>31,762,230</u>  | 41,449,662          |
|   |                    |                     |
| Certain receivables are not available to pay for the current period's expenditures and therefore, are not reported in the governmental funds.                       |                    | 965,478             |
|   |                    |                     |
| Deferred outflows of expenditures are not a use of current resources, and therefore, are not reported in the governmental funds.                                    |                    |                     |
| Deferred loss on bond refunding   | 1,401,677          |                     |
| Deferred outflows of resources - pension  | <u>2,467,072</u>   | 3,868,749           |
|   |                    |                     |
| Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds.                                     |                    |                     |
| Long-term liabilities at October 31, 2017 consist of:   |                    |                     |
| Bonds payable   | (20,917,559)       |                     |
| Accrued interest payable  | (288,457)          |                     |
| Accrued compensated absences  | (503,998)          |                     |
| Net pension liability   | (11,361,116)       |                     |
| Other post employment benefits payable  | <u>(5,289,900)</u> | (38,361,030)        |
|   |                    |                     |
| The deferred inflows of contributions for the employees' retirement systems are not available resources, and therefore, are not reported in the governmental funds. |                    | <u>(1,386,403)</u>  |
|   |                    |                     |
| Total net position of governmental activities at October 31, 2017   |                    | <u>\$20,485,997</u> |

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

CITY OF NEW IBERIA, LOUISIANA  
Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Governmental Funds  
For the Year Ended October 31, 2017

|   | General             | Sales Tax          | Garbage          | Public<br>Works    | Drainage            | Other<br>Governmental<br>Funds | Total                |
|---|---------------------|--------------------|------------------|--------------------|---------------------|--------------------------------|----------------------|
| <b>Revenues:</b>                                  |                     |                    |                  |                    |                     |                                |                      |
| Taxes -   |                     |                    |                  |                    |                     |                                |                      |
| Ad valorem  | \$ 1,176,066        | \$ -               | \$ -             | \$ 703,195         | \$ -                | \$ 2,708,834                   | \$ 4,588,095         |
| Sales and use                                     | 1,628,066           | 8,140,329          | 3,256,132        | -                  | -                   | -                              | 13,024,527           |
| Franchise   | 1,834,372           | -                  | -                | -                  | -                   | -                              | 1,834,372            |
| Licenses and permits                              | 1,621,697           | -                  | -                | -                  | -                   | -                              | 1,621,697            |
| Intergovernmental -                               |                     |                    |                  |                    |                     |                                |                      |
| Federal   | 80,015              | -                  | -                | 7,361              | -                   | 1,301,678                      | 1,389,054            |
| State   | 453,921             | -                  | -                | 32,350             | -                   | -                              | 486,271              |
| Local   | 41,163              | -                  | -                | -                  | 657,934             | -                              | 699,097              |
| Charges for services                              | 46,522              | -                  | -                | 20,350             | -                   | 87,567                         | 154,439              |
| Fines and forfeits                                | 3,504               | -                  | -                | -                  | -                   | -                              | 3,504                |
| Investment income                                 | 19,914              | 4,725              | 1,503            | 1,904              | 17,028              | 8,905                          | 53,979               |
| Miscellaneous                                     | 115,481             | -                  | 1,200,000        | 8,011              | -                   | 81,905                         | 1,405,397            |
| Total revenues                                    | <u>7,020,721</u>    | <u>8,145,054</u>   | <u>4,457,635</u> | <u>773,171</u>     | <u>674,962</u>      | <u>4,188,889</u>               | <u>25,260,432</u>    |
| <b>Expenditures:</b>                              |                     |                    |                  |                    |                     |                                |                      |
| Current -   |                     |                    |                  |                    |                     |                                |                      |
| General government                                | 2,019,160           | 81,859             | 32,744           | -                  | -                   | 118,477                        | 2,252,240            |
| Public safety                                     | 11,336,630          | -                  | -                | -                  | -                   | -                              | 11,336,630           |
| Public works                                      | -                   | -                  | 4,407,922        | 2,310,915          | 159,346             | -                              | 6,878,183            |
| Culture and recreation                            | 27,618              | -                  | -                | -                  | -                   | 1,137,018                      | 1,164,636            |
| Urban redevelopment and housing                   | -                   | -                  | -                | -                  | -                   | 1,275,460                      | 1,275,460            |
| Debt service -                                    |                     |                    |                  |                    |                     |                                |                      |
| Principal   | -                   | -                  | -                | -                  | -                   | 1,771,600                      | 1,771,600            |
| Interest  | -                   | -                  | -                | -                  | -                   | 716,114                        | 716,114              |
| Capital outlay                                    | 108,228             | -                  | -                | 328,643            | 36,770              | 345,477                        | 819,118              |
| Total expenditures                                | <u>13,491,636</u>   | <u>81,859</u>      | <u>4,440,666</u> | <u>2,639,558</u>   | <u>196,116</u>      | <u>5,364,146</u>               | <u>26,213,981</u>    |
| Excess (deficiency) of revenues over expenditures | <u>(6,470,915)</u>  | <u>8,063,195</u>   | <u>16,969</u>    | <u>(1,866,387)</u> | <u>478,846</u>      | <u>(1,175,257)</u>             | <u>(953,549)</u>     |
| <b>Other financing sources (uses):</b>            |                     |                    |                  |                    |                     |                                |                      |
| Bond proceeds                                     | -                   | -                  | -                | -                  | -                   | 2,910,000                      | 2,910,000            |
| Bond premium                                      | -                   | -                  | -                | -                  | -                   | 272,058                        | 272,058              |
| Payment to escrow agent                           | -                   | -                  | -                | -                  | -                   | (3,082,035)                    | (3,082,035)          |
| Transfers in                                      | 7,958,353           | -                  | -                | 1,415,831          | -                   | 1,052,070                      | 10,426,254           |
| Transfers out                                     | (1,610,936)         | (8,258,269)        | -                | -                  | -                   | (538,419)                      | (10,407,624)         |
| Total other financing sources (uses)              | <u>6,347,417</u>    | <u>(8,258,269)</u> | <u>-</u>         | <u>1,415,831</u>   | <u>-</u>            | <u>613,674</u>                 | <u>118,653</u>       |
| Net changes in fund balances                      | (123,498)           | (195,074)          | 16,969           | (450,556)          | 478,846             | (561,583)                      | (834,896)            |
| Fund balances, beginning                          | 6,882,069           | 683,083            | 56,463           | 544,914            | 4,442,942           | 2,174,966                      | 14,784,437           |
| Fund balances, ending                             | <u>\$ 6,758,571</u> | <u>\$ 488,009</u>  | <u>\$ 73,432</u> | <u>\$ 94,358</u>   | <u>\$ 4,921,788</u> | <u>\$ 1,613,383</u>            | <u>\$ 13,949,541</u> |

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

CITY OF NEW IBERIA, 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 October 31, 2017

Total net changes in fund balances at October 31, 2017 per  
Statement of Revenues, Expenditures and Changes in Fund Balances \$ (834,896)

The change in net position reported for governmental activities in the  
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense.

|  |                 |             |
|--|-----------------|-------------|
| Capital outlay which is considered expenditures on Statement<br>of Revenues, Expenditures and Changes in Fund Balances | \$ 819,118      |             |
| Depreciation expense for the year ended October 31, 2017   | (2,834,382)     |             |
| Capital asset assigned to Sewerage Fund  | (504,563)       |             |
| Loss on disposition of equipment for year ended October 31, 2017   | <u>(39,409)</u> | (2,559,236) |

Because some revenues are not considered measurable at year-end, they are  
not considered "available" revenues in the governmental funds

|   |                |         |
|---|----------------|---------|
| Sales taxes                             | (70,035)       |         |
| Non-employer pension plan contributions | <u>340,440</u> | 270,405 |

Bond proceeds are reported as financing sources in governmental funds and  
thus contribute to the change in fund balance. In the statement of net position,  
however, issuing debt increases long-term liabilities and does not affect the  
statement of activities. Similarly, repayment of principal and capital leases  
are recorded as expenditures in the governmental funds but reduce liability  
in the statement of net position. Also governmental funds report the effect of  
premiums, discounts, and similar items when debt is first issued, whereas  
these amounts are deferred and amortized in the statement of activities:

|  |                |           |
|--|----------------|-----------|
| Bond proceeds  | (2,910,000)    |           |
| Payment to escrow agent                                      | 3,082,035      |           |
| Principal paid on long-term debt                             | 1,771,600      |           |
| Original issue premium on debt issued during the fiscal year | (272,058)      |           |
| Amortization of loss on refunding                            | (106,453)      |           |
| Amortization of bond premium                                 | <u>112,779</u> | 1,677,903 |

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.

|                                      |               |                  |
|--------------------------------------|---------------|------------------|
| Compensated absences                 | 18,959        |                  |
| Other post employee benefits payable | (28,095)      |                  |
| Pension expense                      | (614,288)     |                  |
| Interest expense                     | <u>42,559</u> | <u>(580,865)</u> |

Total changes in net position at October 31, 2017 per Statement of Activities \$ (2,026,689)

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

CITY OF NEW IBERIA, LOUISIANA

Statement of Net Position  
Proprietary Fund  
October 31, 2017

|   | <u>Sewerage<br/>Fund</u> |
|---|--------------------------|
| <b>ASSETS</b>   |                          |
| Current assets:                                       |                          |
| Cash  | \$ 3,000,088             |
| Accounts receivable                                   | 316,954                  |
| Due from other governmental units                     | <u>121,366</u>           |
| Total current assets                                  | <u>3,438,408</u>         |
| Noncurrent assets:                                    |                          |
| Restricted cash                                       | 311,598                  |
| Capital assets -                                      |                          |
| Land and construction in progress                     | 1,520,979                |
| Other capital assets, net of accumulated depreciation | <u>44,570,783</u>        |
| Total noncurrent assets                               | <u>46,403,360</u>        |
| Total assets  | <u>49,841,768</u>        |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                 |                          |
| Deferred loss on refunding                            | 33,696                   |
| Deferred outflows of resources - pension              | <u>644,905</u>           |
| Total deferred outflows of resources                  | <u>678,601</u>           |
| <b>LIABILITIES</b>                                    |                          |
| Current liabilities:                                  |                          |
| Accounts payable                                      | 91,298                   |
| Accrued liabilities                                   | 56,886                   |
| Accrued compensated absences                          | 14,778                   |
| Payable from restricted assets -                      |                          |
| Accrued interest                                      | 102,875                  |
| Bonds payable   | <u>415,000</u>           |
| Total current liabilities                             | 680,837                  |
| Noncurrent liabilities:                               |                          |
| Accrued compensated absences                          | 132,999                  |
| Bonds payable   | 9,793,525                |
| Net pension liability                                 | <u>2,534,665</u>         |
| Total noncurrent liabilities                          | <u>12,461,189</u>        |
| Total liabilities                                     | <u>13,142,026</u>        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                  |                          |
| Deferred inflows of resources - pension               | <u>167,068</u>           |
| <b>NET POSITION</b>                                   |                          |
| Net investment in capital assets                      | 35,916,933               |
| Restricted for debt service                           | 208,723                  |
| Unrestricted  | <u>1,085,619</u>         |
| Total net position                                    | <u>\$ 37,211,275</u>     |

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

CITY OF NEW IBERIA, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -  
 Proprietary Funds  
 For the Year Ended October 31, 2017

|   | <u>Sewerage<br/>Fund</u> |
|---|--------------------------|
| Operating revenues:                           |                          |
| Charges for services -                        |                          |
| Customers                                     | \$ 4,152,168             |
| Parish government under cooperative agreement | <u>879,274</u>           |
| Total operating revenues                      | <u>5,031,442</u>         |
| Operating expenses:                           |                          |
| Cost of services rendered                     | 3,608,012                |
| Depreciation                                  | <u>2,048,248</u>         |
| Total operating expenses                      | <u>5,656,260</u>         |
| Operating loss                                | <u>(624,818)</u>         |
| Nonoperating revenues (expenses):             |                          |
| Investment income                             | 46,829                   |
| Interest expense                              | (273,994)                |
| Non-employer pension contributions            | 37,292                   |
| Other, net                                    | <u>4,269</u>             |
| Total nonoperating revenues (expenses)        | <u>(185,604)</u>         |
| Loss before contributions and transfers       | (810,422)                |
| Capital contributions                         | 504,563                  |
| Transfers out                                 | <u>(26,630)</u>          |
| Change in net position                        | (332,489)                |
| Net position, beginning                       | <u>37,543,764</u>        |
| Net position, ending                          | <u>\$37,211,275</u>      |

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

CITY OF NEW IBERIA, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund  
 For the Year Ended October 31, 2017

|   | <u>Sewerage<br/>Fund</u> |
|---|--------------------------|
| Cash flows from operating activities:                     |                          |
| Receipts from customers                                   | \$ 4,249,860             |
| Receipts from cooperative agreement                       | 878,917                  |
| Payments to suppliers                                     | (2,082,385)              |
| Payments to employees                                     | (1,502,673)              |
| Net cash provided by operating activities                 | <u>1,543,719</u>         |
| Cash flows from noncapital financing activities:          |                          |
| Other, net  | 4,269                    |
| Transfers to other funds                                  | (26,630)                 |
| Net cash used by noncapital financing activities          | <u>(22,361)</u>          |
| Cash flows from capital and related financing activities: |                          |
| Purchase and construction of capital assets               | (741,905)                |
| Proceeds from capital contributions                       | 504,563                  |
| Bond proceeds received                                    | 137,403                  |
| Principal paid on bonds                                   | (718,000)                |
| Interest paid on bonds                                    | (275,266)                |
| Net cash used by capital and related financing activities | <u>(1,093,205)</u>       |
| Cash flows from investing activities:                     |                          |
| Investment income   | <u>10,534</u>            |
| Net increase in cash and cash equivalents                 | 438,687                  |
| Cash and cash equivalents, beginning of period            | <u>2,872,999</u>         |
| Cash and cash equivalents, end of period                  | <u>\$ 3,311,686</u>      |

CITY OF NEW IBERIA, LOUISIANA

Statement of Cash Flows  
 Proprietary Funds - (Continued)  
 For the Year Ended October 31, 2017

|   | <u>Sewerage<br/>Fund</u> |
|---|--------------------------|
| Reconciliation of operating loss to net cash provided by operating activities:                |                          |
| Operating loss  | \$ (624,818)             |
| Adjustments to reconcile operating loss to net cash provided by operating activities:         |                          |
| Depreciation  | 2,048,248                |
| Pension expense   | 126,148                  |
| Changes in current assets and liabilities:  |                          |
| Accounts receivable   | 97,692                   |
| Due from other governmental units   | (357)                    |
| Accounts payable  | (123,102)                |
| Accrued liabilities   | 9,114                    |
| Accrued compensated absences  | 10,794                   |
| Net cash provided by operating activities   | <u>\$ 1,543,719</u>      |
| Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet: |                          |
| Cash and cash equivalents, beginning of period -  |                          |
| Cash - unrestricted   | \$ 2,561,712             |
| Cash - restricted   | 311,287                  |
| Total cash and cash equivalents, beginning of period  | <u>2,872,999</u>         |
| Cash and cash equivalents, end of period -  |                          |
| Cash - unrestricted   | 3,000,088                |
| Cash - restricted   | 311,598                  |
| Total cash and cash equivalents, end of period  | <u>3,311,686</u>         |
| Net increase  | <u>\$ 438,687</u>        |

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

CITY OF NEW IBERIA, LOUISIANA

Statement of Net Position  
 Fiduciary Funds  
 October 31, 2017

|                                      | <u>Pension<br/>Trust Funds</u> | <u>Agency<br/>Funds</u> |
|--------------------------------------|--------------------------------|-------------------------|
| <b>ASSETS</b>                        |                                |                         |
| Cash                                 | \$ 244                         | \$ 181,036              |
| <b>LIABILITIES</b>                   |                                |                         |
| Accounts payable                     | \$ -                           | \$ 16,609               |
| Due to other funds                   | -                              | 20,405                  |
| Held for others pending court action | -                              | 144,022                 |
| Total liabilities                    | -                              | 181,036                 |
| <b>NET POSITION</b>                  |                                |                         |
| Held in trust for pension benefits   | \$ 244                         | \$ -                    |

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

CITY OF NEW IBERIA, LOUISIANA

Statement of Changes in Fund Net Position  
Fiduciary Funds  
For the Year Ended October 31, 2017

|                              | <u>Pension<br/>Trust Funds</u> |
|------------------------------|--------------------------------|
| Additions:                   |                                |
| Transfer from Sales Tax Fund | \$ 8,000                       |
| Deductions:                  |                                |
| Benefit payments             | <u>7,799</u>                   |
| Change in net position       | 201                            |
| Net position, beginning      | <u>43</u>                      |
| Net position, ending         | <u>\$ 244</u>                  |

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

CITY OF NEW IBERIA, LOUISIANA

Combining Statement of Net Position  
All Discretely Presented Component Units  
October 31, 2017

|  | City<br>Court of<br>New Iberia | New Iberia<br>City<br>Marshal | Total               |
|--|--------------------------------|-------------------------------|---------------------|
| <b>ASSETS</b>                            |                                |                               |                     |
| Cash and interest-bearing deposits       | \$ 60,408                      | \$ 12,419                     | \$ 72,827           |
| Accounts receivable                      | -                              | 3,100                         | 3,100               |
| Due from other external parties          | 20,405                         | -                             | 20,405              |
| Capital assets, net                      | <u>22,858</u>                  | <u>-</u>                      | <u>22,858</u>       |
| Total assets                             | <u>103,671</u>                 | <u>15,519</u>                 | <u>119,190</u>      |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>    |                                |                               |                     |
| Deferred outflows of resources - pension | <u>230,417</u>                 | <u>-</u>                      | <u>230,417</u>      |
| <b>LIABILITIES</b>                       |                                |                               |                     |
| Accounts and other payables              | 6,387                          | -                             | 6,387               |
| Net pension liability                    | <u>601,427</u>                 | <u>-</u>                      | <u>601,427</u>      |
| Total liabilities                        | <u>607,814</u>                 | <u>-</u>                      | <u>607,814</u>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>     |                                |                               |                     |
| Deferred inflows of resources - pension  | <u>19,748</u>                  | <u>-</u>                      | <u>19,748</u>       |
| <b>NET POSITION</b>                      |                                |                               |                     |
| Net investment in capital assets         | 22,858                         | -                             | 22,858              |
| Unrestricted                             | <u>(316,332)</u>               | <u>15,519</u>                 | <u>(300,813)</u>    |
| Total net position                       | <u>\$ (293,474)</u>            | <u>\$ 15,519</u>              | <u>\$ (277,955)</u> |

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

CITY OF NEW IBERIA, LOUISIANA

Combining Statement of Activities  
 All Discretely Presented Component Units  
 For the Year Ended October 31, 2017

|                                    | City<br>Court of<br>New Iberia | New Iberia<br>City<br>Marshal | Total               |
|------------------------------------|--------------------------------|-------------------------------|---------------------|
| Expenses                           | <u>\$ 677,705</u>              | <u>\$ 127,619</u>             | <u>\$ 805,324</u>   |
| Program revenues:                  |                                |                               |                     |
| Fees and fines                     | 290,949                        | 46,464                        | 337,413             |
| Operating grants and contributions | <u>156,399</u>                 | <u>72,100</u>                 | <u>228,499</u>      |
| Total program revenues             | <u>447,348</u>                 | <u>118,564</u>                | <u>565,912</u>      |
| Net (expense) revenue              | (230,357)                      | (9,055)                       | (239,412)           |
| General revenues:                  |                                |                               |                     |
| Miscellaneous                      | <u>131,770</u>                 | <u>-</u>                      | <u>131,770</u>      |
| Change in net position             | (98,587)                       | (9,055)                       | (107,642)           |
| Net position, beginning            | <u>(194,887)</u>               | <u>24,574</u>                 | <u>(170,313)</u>    |
| Net position, ending               | <u>\$ (293,474)</u>            | <u>\$ 15,519</u>              | <u>\$ (277,955)</u> |

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

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Primary government –

The City of New Iberia operates under a home rule charter. The charter provides for the Mayor-City Council form of government. The City's operations include police and fire protection, streets and drainage, parks and recreation, certain social services (including urban redevelopment and housing) and general administrative services. The City owns and operates one enterprise activity, a sewerage fund which provides sewerage services.

Component Units –

Professional standards establish criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. Based on the criteria, the following are component units of the City.

City Court of New Iberia – The day-to-day operations of the City Court are funded through the City of New Iberia. In addition, the activities of the Court are primarily for City residents. The City has responsibility for funding any deficits of the Court. The City Court's fiscal year end is June 30.

New Iberia City Marshal – The day-to-day operations of the City Marshal are funded through the City of New Iberia. In addition, the activities of the Marshal are primarily for City residents. The City has responsibility for funding any deficits of the City Marshal. The City Marshal's fiscal year end is June 30.

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

Fund Financial Statements

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

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.

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

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.

Special Revenue Funds -

Sales Tax Fund

The Sales Tax Fund is used to account for the receipts and disbursements of proceeds from the City's 1.25% sales and use tax levies that are legally restricted for expenditures for specific purposes.

Garbage Fund

This fund accounts for the receipt and use of proceeds of two of the City's .25% sales and use tax levies that are legally restricted for expenditures for specific purposes.

Public Works Fund

This fund accounts for the receipt and use of proceeds of the City's 3.45 mills ad valorem tax that are legally restricted for expenditures for specific purposes.

Capital Projects Fund -

Drainage Fund

This fund accounts for the receipt and disbursement of the excess collections of the Iberia Parish Government mosquito control sales tax. The City utilizes these funds for drainage maintenance and improvement.

Proprietary Fund -

Enterprise Fund

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

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

In addition, the City reports the following:

Pension Trust Funds –

These funds account for the accumulation of resources to be used for police retirement annuity payments at appropriate amounts and times in the future.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

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

Basis of Accounting

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

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

Cash and cash equivalents

For purposes of the statement of net position, cash and interest-bearing deposits include all demand, savings, and money market deposits, as well as cash on hand. The cash balances of the majority of the City's funds are pooled by the City. For purposes of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and highly liquid investments with an original maturity of three months or less.

Investments

State statutes authorize the City to invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

In accordance with GASB Statement No. 31, investments meeting the criteria specified in the Statement are stated at fair value. Investments which do not meet the requirements are stated at cost. At October 31, 2017, the City did not have any investments.

Interfund receivables and payables

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

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report sewer customer's utility service receivables as their major receivables. All utility service receivables are considered collectible and accordingly, there is no allowance for doubtful accounts at October 31, 2017.

Restricted Assets

Restricted assets include cash, interest-bearing deposits and investments that are legally restricted as to their use.

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 maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

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

|                            |             |
|----------------------------|-------------|
| Land improvements          | 20-30 years |
| Buildings and improvements | 10-40 years |
| Equipment                  | 5-15 years  |
| Infrastructure             | 20-50 years |
| Sewer plant                | 5-35 years  |

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

## CITY OF NEW IBERIA, LOUISIANA

### Notes to Basic Financial Statements (Continued)

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

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At October 31, 2017, the City's deferred outflows and inflows of resources are attributable to deferred losses on refunding of bonds and pension plans.

#### Long-term debt

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

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

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

#### Compensated Absences

Employees of the City earn annual leave in amounts ranging from eight hours per month to sixteen hours per month, depending upon length of service. At the end of each year, employees may carry forward annual leave earned but not taken with the maximum allowable carryover of unused annual leave being equal to ten days. Unused annual leave in excess of what can be carried forward is credited to the employee's sick leave balance. Unused annual leave is paid to an employee upon retirement or resignation at hourly rates being earned by that employee upon separation.

Effective April 1, 1997, sick leave is credited to all classified employees at the rate of twelve hours per month. All unused sick leave is carried forward from year to year. Employees separated due to retirement or deaths are paid for all accumulated sick leave earned between January 1, 1991 and December 31, 1994 at the hourly rates being earned by the employee at that time.

Compensatory leave is earned at a rate of one and one-half hours for each hour of overtime worked. The maximum accumulation of compensatory leave is 120 hours. It may be carried forward from year to year. Upon termination, unused compensatory leave is paid up to 120 hours.

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

Firemen earn vacation and sick leave in accordance with state law. Firemen are paid for any overtime hours worked.

In the government-wide and proprietary fund statements, the City accrues accumulated unpaid annual, sick, and compensatory leave and associated related costs when earned (or estimated to be earned) by the employee. The current portion is the amount estimated to be used/paid in the following year. The remainder is reported as non-current. In accordance with GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Government Fund Financial Statements," no compensated absences liability is recorded in the governmental fund financial statements.

Equity Classifications

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

- a. Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. At October 31, 2017, the City reported \$11,159,242 of restricted net position, \$5,572,232 of which was restricted by enabling legislation.
- c. Unrestricted net position – Consists of all other net position that does not meet the definition of the two components and is available for general use by the City.

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental funds are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Mayor and City Council, which is the highest level of decision-making authority for the City.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by the Mayor or the City Council.
- e. Unassigned – all other spendable amounts.

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

Proprietary fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

F. Revenue Restrictions

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

| <u>Revenue Source</u> | <u>Legal Restrictions of Use</u>    |
|-----------------------|-------------------------------------|
| Ad Valorem Tax        | See Note 2                          |
| Sales Tax             | See Note 3                          |
| Sewerage Revenue      | Debt Service and Utility Operations |

The City uses unrestricted resources only when restricted resources are fully depleted.

G. Capitalization of Interest Expense

It is the policy of the City of New Iberia to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. During the fiscal year ended October 31, 2017, there was no interest capitalized.

H. Bond Premium and Bond Issue Costs

Bond premium is being amortized by the straight-line method over the life of the related bond. Bond issue costs are expensed in the year they are incurred.

I. Use of Estimates

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

J. Report Reclassification

Certain previously reported amounts for the year ended October 31, 2016 have been reclassified to conform to the October 31, 2017 classifications.

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. The taxes are based on assessed values determined by the Tax Assessor of Iberia Parish and are collected by the City. Taxes were levied by the City and were billed to taxpayers in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. City property tax revenues are budgeted in the year billed.

For the year ended October 31, 2017, taxes of 22.51 mills were levied on property with assessed valuations totaling \$204,518,330 and were dedicated for general corporate purposes (5.77 mills), parks and recreation (2.96 mills), streets and bridges (3.45 mills), general obligation debt service (6.33 mills), and debt service (4.00 mills).

Gross taxes levied for the current fiscal year totaled \$4,571,950. The taxes are remitted to the City net of deductions for pension fund contributions.

(3) Sales and Use Tax

- A. Proceeds of a ¼% sales and use tax (2017 collections \$1,628,066), accounted for in the General Fund, are dedicated to supplement the cost of salary and benefit increases for firemen. This tax is perpetual.
- B. Proceeds of a ¼% sales and use tax (2017 collections \$1,628,066), accounted for in the Garbage Fund, are dedicated to operate, maintain, and improve the City's garbage and waste collection and disposal facilities and purchasing and acquiring the land and equipment necessary in connection with the operation of said facilities. This tax is in lieu of a monthly charge for residential garbage and waste collection and disposal. This tax is perpetual.
- C. Proceeds of a ¼% sales and use tax (2017 collections \$1,628,066), accounted for in the Garbage Fund, are dedicated to supplement other sales tax revenues of the City to pay the cost of solid waste collection and disposal, including the cost of the City's recycling program. The remaining proceeds of the tax to be expended for the purpose of paying the cost of the salaries of City employees, including the payment of employee benefits. This tax was renewed in 2003 as a perpetual tax.
- D. Proceeds of a 1% sales and use tax (2017 collections \$6,512,263), accounted for in the Sales Tax Fund, are dedicated to the support and maintenance of the police and fire departments, the construction and improvement of streets, bridges or sewerage and for any work of permanent public improvement, including the cost of construction and improving sewers and sewerage disposal works in the City. This tax is perpetual.
- E. Proceeds of a ¼% sales and use tax (2017 collections \$1,628,066), accounted for in the Sales Tax Fund, are dedicated to supplement the cost of salary and benefit increases of City employees. This tax is perpetual.

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

(4) 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 October 31, 2017, the City had cash and interest-bearing deposits (book balances) totaling \$17,015,482, as follows:

|                           | <u>Primary<br/>Government</u> | <u>Fiduciary<br/>Funds</u> | <u>Total</u>        |
|---------------------------|-------------------------------|----------------------------|---------------------|
| Interest-bearing deposits | <u>\$16,834,202</u>           | <u>\$181,280</u>           | <u>\$17,015,482</u> |

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must always equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the City or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at October 31, 2017, are secured as follows:

|                           |                     |
|---------------------------|---------------------|
| Bank balances             | <u>\$16,425,678</u> |
| Federal deposit insurance | 250,000             |
| Pledged securities        | <u>16,175,678</u>   |
| Total                     | <u>\$16,425,678</u> |

Deposits in the amount of \$16,175,678 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. The City does not have a policy for custodial credit risk.

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Receivables

Receivables at October 31, 2017 consist of the following:

|                 | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>      |
|-----------------|------------------------------------|-------------------------------------|-------------------|
| Accounts (net)  | \$ -                               | \$ 316,954                          | \$ 316,954        |
| Franchise taxes | 325,710                            | -                                   | 325,710           |
| Other           | 5,498                              | -                                   | 5,498             |
| Totals          | <u>\$ 331,208</u>                  | <u>\$ 316,954</u>                   | <u>\$ 648,162</u> |

(6) Due from Other Governmental Units

Amounts due from other governmental units at October 31, 2017 of \$2,283,096 (\$2,161,730 and \$121,366 for governmental and business-type activities, respectively) consist of the following:

Governmental funds:

|  |                  |
|--|------------------|
| State grants                                     | \$ 75,415        |
| Iberia Parish School Board - sales and use taxes | 1,115,336        |
| Other local                                      | <u>1,374</u>     |
| Total amount reported in governmental funds      | <u>1,192,125</u> |

Proprietary Fund:

|   |                |
|---|----------------|
| Iberia Parish Government - sewerage user fees | <u>121,366</u> |
| Total amount reported in Proprietary Fund     | <u>121,366</u> |

Government-wide financial statements:

|   |                     |
|---|---------------------|
| Total amount reported in governmental funds                       | 1,192,125           |
| Total amount reported in Proprietary Fund                         | 121,366             |
| Iberia Parish School Board - sales and use taxes for October 2016 | <u>969,605</u>      |
| Total   | <u>\$ 2,283,096</u> |

(7) Restricted Assets - Proprietary Fund

Restricted assets in the amount of \$311,598 consist of the sinking fund cash account for the Revenue Refunding Bonds, Series 2010B in the Sewerage Fund as of October 31, 2017.

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended October 31, 2017 was as follows:

|  | Balance<br>11/01/16  | Additions           | Deletions           | Balance<br>10/31/17  |
|--|----------------------|---------------------|---------------------|----------------------|
| Governmental activities:                         |                      |                     |                     |                      |
| Capital assets not being depreciated:            |                      |                     |                     |                      |
| Land   | \$ 3,460,355         | \$ -                | \$ 7,273            | \$ 3,453,082         |
| Construction in progress                         | 2,508,249            | 436,920             | 2,743,635           | 201,534              |
| Other capital assets:                            |                      |                     |                     |                      |
| Land improvements                                | 1,906,091            | -                   | 21,593              | 1,884,498            |
| Buildings and improvements                       | 8,659,683            | -                   | 32,892              | 8,626,791            |
| Equipment  | 8,126,127            | 376,646             | 733,930             | 7,768,843            |
| Infrastructure                                   | 87,595,905           | 2,239,073           | -                   | 89,834,978           |
| Totals   | <u>112,256,410</u>   | <u>3,052,639</u>    | <u>3,539,323</u>    | <u>111,769,726</u>   |
| Less accumulated depreciation                    |                      |                     |                     |                      |
| Land improvements                                | 974,916              | 75,788              | 18,791              | 1,031,913            |
| Buildings and improvements                       | 4,537,616            | 240,762             | 17,917              | 4,760,461            |
| Equipment  | 6,850,061            | 330,010             | 725,129             | 6,454,942            |
| Infrastructure                                   | 55,884,926           | 2,187,822           | -                   | 58,072,748           |
| Total accumulated depreciation                   | <u>68,247,519</u>    | <u>2,834,382</u>    | <u>761,837</u>      | <u>70,320,064</u>    |
| Governmental activities,<br>capital assets, net  | <u>\$ 44,008,891</u> | <u>\$ 218,257</u>   | <u>\$ 2,777,486</u> | <u>\$ 41,449,662</u> |
| Business-type activities:                        |                      |                     |                     |                      |
| Capital assets not being depreciated:            |                      |                     |                     |                      |
| Land   | \$ 1,437,788         | \$ -                | \$ -                | \$ 1,437,788         |
| Construction in progress                         | 2,643,942            | 77,196              | 2,637,947           | 83,191               |
| Other capital assets:                            |                      |                     |                     |                      |
| Buildings and improvements                       | 390,598              | -                   | -                   | 390,598              |
| Equipment  | 2,405,586            | 39,190              | 59,335              | 2,385,441            |
| Sewer plant                                      | 68,767,308           | 3,142,510           | -                   | 71,909,818           |
| Totals   | <u>75,645,222</u>    | <u>3,258,896</u>    | <u>2,697,282</u>    | <u>76,206,836</u>    |
| Less accumulated depreciation                    |                      |                     |                     |                      |
| Buildings and improvements                       | 60,669               | 11,156              | -                   | 71,825               |
| Equipment  | 1,444,463            | 91,554              | 59,335              | 1,476,682            |
| Sewer plant                                      | 26,621,029           | 1,945,538           | -                   | 28,566,567           |
| Total accumulated depreciation                   | <u>28,126,161</u>    | <u>2,048,248</u>    | <u>59,335</u>       | <u>30,115,074</u>    |
| Business-type activities,<br>capital assets, net | <u>\$ 47,519,061</u> | <u>\$ 1,210,648</u> | <u>\$ 2,637,947</u> | <u>\$ 46,091,762</u> |

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

|  |                     |
|--|---------------------|
| General government                         | \$ 128,557          |
| Public safety                              | 110,083             |
| Public works                               | 235,485             |
| Culture and recreation                     | 172,947             |
| Infrastructure depreciation is unallocated | <u>2,187,310</u>    |
| Total depreciation expense                 | <u>\$ 2,834,382</u> |

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

|       |                     |
|-------|---------------------|
| Sewer | <u>\$ 2,048,248</u> |
|-------|---------------------|

(9) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at October 31, 2017:

|                         | Governmental<br>Activities | Business-Type<br>Activities | Total             |
|-------------------------|----------------------------|-----------------------------|-------------------|
| Accounts                | \$ 374,287                 | \$ 91,298                   | \$ 465,585        |
| Contracts and retainage | 44,209                     | -                           | 44,209            |
| Other liabilities       | <u>265,883</u>             | <u>56,886</u>               | <u>322,769</u>    |
| Totals                  | <u>\$ 684,379</u>          | <u>\$ 148,184</u>           | <u>\$ 832,563</u> |

(10) Long-Term Liabilities

Governmental Activities:

The City issues general obligation bonds and certificates of indebtedness to provide funds for the acquisition, construction or improvement of major capital facilities. General obligation bonds have also been issued to refund other general obligation bonds. These bonds are direct obligations and pledge the full faith and credit of the City.

In addition, the City has borrowed proceeds from revenue bonds issued by the Louisiana Local Government Environmental Facilities and Community Development Authority (LLGEFCDA) to finance the costs of the acquisition, rehabilitation, improvement and expansion of roads within the limits of the City, and to refund public improvement bonds. These bonds are to be repaid from lawfully available funds.

Business-type Activities:

The City has borrowed proceeds from revenue bonds issued by the LLGEFCDA to refund revenue bonds. Additionally, the City has borrowed proceeds from revenue bonds issued by the Louisiana Department of Environmental Quality to finance the costs of constructing and acquiring improvements and replacements to the sewer system of the City.

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

The City was in compliance with all significant limitations and restrictions in the bond indentures at October 31, 2017.

Long-term liabilities payable at October 31, 2017 is comprised of the following:

|  | Issue<br>Date | Final<br>Maturity<br>Date | Interest<br>Rates | Balance<br>Outstanding | Due Within<br>One Year |
|--|---------------|---------------------------|-------------------|------------------------|------------------------|
| <b>Governmental activities:</b>                        |               |                           |                   |                        |                        |
| General obligation refunding bonds -                   |               |                           |                   |                        |                        |
| Series 2010  | 2010          | 2026                      | 2.0%-4.5%         | \$ 6,190,000           | \$ 730,000             |
| Series 2013  | 2013          | 2025                      | 2.06%             | 2,510,000              | 275,000                |
| Series 2015  | 2015          | 2020                      | 1.60%             | 795,000                | 260,000                |
|  |               |                           |                   | <u>9,495,000</u>       | <u>1,265,000</u>       |
| Revenue bonds payable -                                |               |                           |                   |                        |                        |
| Revenue Bonds, Series 2010A                            | 2010          | 2020                      | 2.0%-4.0%         | 220,000                | 70,000                 |
| Revenue Bonds, Series 2010C                            | 2010          | 2036                      | 2.0%-5.0%         | 515,000                | 125,000                |
| Revenue Refunding Bonds, Series 2016                   | 2016          | 2034                      | 3.0%-4.5%         | 6,500,000              | 280,000                |
| Revenue Refunding Bonds, Series 2017                   | 2017          | 2036                      | 2.0%-4.0%         | 2,910,000              | 10,000                 |
|  |               |                           |                   | <u>10,145,000</u>      | <u>485,000</u>         |
| Add: Unamortized issue premium                         |               |                           |                   | <u>1,277,559</u>       | -                      |
| Total bond indebtedness                                |               |                           |                   | 20,917,559             | 1,750,000              |
| Other liabilities -                                    |               |                           |                   |                        |                        |
| Accrued compensated absences                           |               |                           |                   | 503,998                | 50,400                 |
| Total long-term liabilities - governmental activities  |               |                           |                   | <u>\$ 21,421,557</u>   | <u>\$ 1,800,400</u>    |
| <b>Business-type activities:</b>                       |               |                           |                   |                        |                        |
| Revenue bonds payable -                                |               |                           |                   |                        |                        |
| Revenue Refunding Bonds, Series 2010B                  | 2010          | 2026                      | 2.0%-5.0%         | \$ 4,505,000           | \$ 415,000             |
| Loan payable -   |               |                           |                   |                        |                        |
| DEQ loan, Series 2013                                  | 2013          | 2033                      | 0.95%             | 5,519,073              | -                      |
|  |               |                           |                   | <u>10,024,073</u>      | <u>415,000</u>         |
| Add: Unamortized issue premium                         |               |                           |                   | <u>184,452</u>         | -                      |
| Total bond indebtedness                                |               |                           |                   | 10,208,525             | 415,000                |
| Other liabilities -                                    |               |                           |                   |                        |                        |
| Accrued compensated absences                           |               |                           |                   | 147,777                | 14,778                 |
| Total long-term liabilities - business-type activities |               |                           |                   | <u>\$ 10,356,302</u>   | <u>\$ 429,778</u>      |

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

The following is a summary of long-term liabilities transactions of the City for the year ended October 31, 2017:

|  | Beginning<br>Balance | Additions           | Deletions           | Ending<br>Balance    |
|--|----------------------|---------------------|---------------------|----------------------|
| <b>Governmental activities:</b>          |                      |                     |                     |                      |
| General obligation refunding bonds -     |                      |                     |                     |                      |
| Series 2010                              | \$ 6,890,000         | \$ -                | \$ 700,000          | \$ 6,190,000         |
| Series 2013                              | 2,775,000            | -                   | 265,000             | 2,510,000            |
| Series 2015                              | 1,055,000            | -                   | 260,000             | 795,000              |
|  | <u>10,720,000</u>    | <u>-</u>            | <u>1,225,000</u>    | <u>9,495,000</u>     |
| Certificates of indebtedness -           |                      |                     |                     |                      |
| Paving certificates                      | 58,500               | -                   | 58,500              | -                    |
| Sewerage certificates                    | 8,100                | -                   | 8,100               | -                    |
|  | <u>66,600</u>        | <u>-</u>            | <u>66,600</u>       | <u>-</u>             |
| Revenue bonds -                          |                      |                     |                     |                      |
| Revenue Bonds, Series 2010A              | 290,000              | -                   | 70,000              | 220,000              |
| Revenue Bonds, Series 2010C              | 3,435,000            | -                   | 2,920,000           | 515,000              |
| Revenue Refunding Bonds, Series 2016     | 6,790,000            | -                   | 290,000             | 6,500,000            |
| Revenue Refunding Bonds, Series 2017     | -                    | 2,910,000           | -                   | 2,910,000            |
|  | <u>10,515,000</u>    | <u>2,910,000</u>    | <u>3,280,000</u>    | <u>10,145,000</u>    |
| Add: Unamortized issue premium           | 1,157,508            | 272,059             | 152,008             | 1,277,559            |
| Total bond indebtedness                  | 22,459,108           | 3,182,059           | 4,723,608           | 20,917,559           |
| Other liabilities -                      |                      |                     |                     |                      |
| Accrued compensated absences             | 522,957              | 17,496              | 36,455              | 503,998              |
| Total governmental activities            | <u>\$ 22,982,065</u> | <u>\$ 3,199,555</u> | <u>\$ 4,760,063</u> | <u>\$ 21,421,557</u> |
| <b>Business-type activities:</b>         |                      |                     |                     |                      |
| Revenue bonds payable -                  |                      |                     |                     |                      |
| Revenue Refunding<br>Bonds, Series 2010B | \$ 4,905,000         | \$ -                | \$ 400,000          | \$ 4,505,000         |
| Loan payable -                           |                      |                     |                     |                      |
| DEQ loan, Series 2013                    | 5,699,670            | 137,403             | 318,000             | 5,519,073            |
|  | <u>10,604,670</u>    | <u>137,403</u>      | <u>718,000</u>      | <u>10,024,073</u>    |
| Add: Unamortized issue premium           | 220,747              | -                   | 36,295              | 184,452              |
| Total bond indebtedness                  | 10,825,417           | 137,403             | 754,295             | 10,208,525           |
| Other liabilities -                      |                      |                     |                     |                      |
| Accrued compensated absences             | 136,984              | 11,033              | 240                 | 147,777              |
| Total business-type activities           | <u>\$ 10,962,401</u> | <u>\$ 148,436</u>   | <u>\$ 754,535</u>   | <u>\$ 10,356,302</u> |

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

The annual debt service requirements to maturity of all bonds and certificates of indebtedness is as follows:

Governmental Activities:

| Year Ending<br>October 31, | General Obligation Refunding Bonds |                      |               |
|----------------------------|------------------------------------|----------------------|---------------|
|                            | Principal<br>payments              | Interest<br>payments | Total         |
| 2018                       | \$ 1,265,000                       | \$ 321,894           | \$ 1,586,894  |
| 2019                       | 1,315,000                          | 280,214              | 1,595,214     |
| 2020                       | 1,365,000                          | 234,910              | 1,599,910     |
| 2021                       | 1,130,000                          | 187,909              | 1,317,909     |
| 2022                       | 1,180,000                          | 143,497              | 1,323,497     |
| 2023-2026                  | 3,240,000                          | 162,803              | 3,402,803     |
| Total                      | \$ 9,495,000                       | \$ 1,331,227         | \$ 10,826,227 |

  

| Year Ending<br>October 31, | Revenue Bonds         |                      |               |
|----------------------------|-----------------------|----------------------|---------------|
|                            | Principal<br>payments | Interest<br>payments | Total         |
| 2018                       | \$ 485,000            | \$ 465,193           | \$ 950,193    |
| 2019                       | 495,000               | 458,350              | 953,350       |
| 2020                       | 485,000               | 446,525              | 931,525       |
| 2021                       | 440,000               | 434,125              | 874,125       |
| 2022                       | 450,000               | 296,275              | 746,275       |
| 2023-2027                  | 2,505,000             | 1,271,850            | 3,776,850     |
| 2028-2032                  | 2,960,000             | 770,200              | 3,730,200     |
| 2033-2036                  | 2,325,000             | 161,500              | 2,486,500     |
| Total                      | \$ 10,145,000         | \$ 4,304,018         | \$ 14,449,018 |

Business-type Activities:

| Year Ending<br>October 31, | Utilities             |                      |              |
|----------------------------|-----------------------|----------------------|--------------|
|                            | Principal<br>payments | Interest<br>payments | Total        |
| 2018                       | \$ 415,000            | \$ 205,750           | \$ 620,750   |
| 2019                       | 435,000               | 187,075              | 622,075      |
| 2020                       | 455,000               | 167,500              | 622,500      |
| 2021                       | 475,000               | 149,300              | 624,300      |
| 2022                       | 495,000               | 127,925              | 622,925      |
| 2023-2026                  | 2,230,000             | 264,975              | 2,494,975    |
| Total                      | \$ 4,505,000          | \$ 1,102,525         | \$ 5,607,525 |

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

Bond Refundings

On May 18, 2017, the City issued \$2,910,000 of Revenue Refunding Bonds, Series 2017 with an average interest rate of 3.8% to advance refund \$2,800,000 of outstanding Revenue Bonds, Series 2010C with an average interest rate of 2.8%. The bonds were issued at a premium of \$272,058 and, after paying issuance costs of \$91,267, the net bond proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded Series 2010C bonds. The advance refunding met the requirements of an in-substance debt defeasance and the refunded bonds were removed from the City's government-wide financial statements. As a result of the advance refunding, the City reduced its total debt service requirements by \$158,082 which resulted in an economic gain of \$129,578.

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

**Plan Description:** The City extends medical benefits to qualifying employees upon actual retirement through a fully-insured plan. A covered employee is an employee of the City, an employee of the New Iberia City Court, or an elected official of the City who attains retirement eligibility (DROP entry). A covered employee may retire upon attainment of the earliest retirement age provided by the respective retirement plan under which the employee participates as detailed in Note 12. Additionally, an employee must have been in continuous covered employment for the immediate 10 years prior to retirement and participated in the healthcare plan for the immediate two years prior to retirement. There are other provisions for approved disability retirement and elected officials.

**Contribution Rates:** Employees do not contribute to their post-employment benefit costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

**Funding Policy:** Until fiscal year 2009, the City recognized the cost of providing postemployment medical benefits (City's portion of retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the postemployment benefits on a pay-as-you-go basis. Effective with the fiscal year beginning November 1, 2008, the City implemented Governmental Accounting Standards Board Codification Section P50, "Accounting and Financial Reporting for Post-employment Benefits Other than Pensions." The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

**Annual OPEB Cost:** The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Codification Section P50. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years. The City utilizes the level-dollar amortization method on an open basis to amortize the unfunded actuarial accrued liability.

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation:

|  |                     |
|--|---------------------|
| Annual required contribution               | \$ 403,022          |
| Interest on net OPEB obligation            | 210,472             |
| Adjustment to annual required contribution | <u>(304,291)</u>    |
| Annual OPEB cost (expense)                 | 309,203             |
| Contributions made                         | <u>(281,108)</u>    |
| Increase in net OPEB obligation            | 28,095              |
| Net OPEB obligation - beginning of year    | <u>5,261,805</u>    |
| Net OPEB obligation - end of year          | <u>\$ 5,289,900</u> |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of 2015, 2016, and 2017 follows:

| Fiscal<br>Year<br>Ended | Annual<br>OPEB<br>Cost | Percentage of<br>Annual OPEB<br>Cost Contributed | Net OPEB<br>Obligation |
|-------------------------|------------------------|--|------------------------|
| 10/31/2015              | \$ 851,933             | 28.7%  | \$ 5,060,233           |
| 10/31/2016              | 461,858                | 56.4%  | 5,261,805              |
| 10/31/2017              | 309,203                | 90.9%  | 5,289,900              |

Funded Status and Funding Progress: The funded status of the plan as of November 1, 2015 was as follows:

|   |                     |
|---|---------------------|
| Actuarial accrued liability (AAL)                 | \$ 5,472,277        |
| Actuarial valuation of plan assets                | <u>-</u>            |
| Unfunded actuarial accrued liability (UAAL)       | <u>\$ 5,472,277</u> |
| Funded ratio (actuarial value of plan assets/AAL) | 0.0%                |
| Covered payroll (active plan members)             | \$ 5,633,932        |
| UAAL as a percentage of covered payroll           | 97.1%               |

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the City's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of future costs. Deviations in any of several factors, such as future interest rates, medical cost inflation, medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress included in required supplementary information following the notes to the financial statements presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## CITY OF NEW IBERIA, LOUISIANA

### Notes to Basic Financial Statements (Continued)

**Method of Determining Value of Benefits:** The “value of benefits” has been 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. For the fire department only, the employer pays for a variable percentage of the retiree medical coverage (for retirees only, not dependents) based on length of service at retirement, but it is based on the blended active/retired rate. For those retiring with at least 20 years of service, the retiree pays 0% of the blended rate; for at least 10 years of service but less than 20 years, the retiree pays 50% of the blended rate, for less than 10 years of service, the retiree pays 100% of the blended rate. For those retirees of City departments other than the fire department, the retiree pays 100% of the “cost” but also based on the blended rate and there is thus an implied subsidy for those retirees.

**Actuarial Methods and Assumptions:** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the November 1, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. Investment return of 4.0% per annum, compounded annually.
2. Turnover Rates – 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 15%.
3. The healthcare cost trend rate is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5% for ten years out and later.
4. General Inflation Rate – 2.5% per annum, compounded annually.

#### (12) Employee Retirement Systems

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

##### **Plan Descriptions:**

Municipal Employees’ Retirement System (MERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1731 and 11:1781. The City participates in Plan A.

State of Louisiana – Firefighters’ Retirement System (FRS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:2251-2254 and 11:2256.

Louisiana State Employees’ Retirement System (LASERS) provides retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in the Louisiana Revised Statutes. The age and years of creditable service required in order for a member to receive retirement benefits are established by LRS 11:441 and vary depending on the member’s hire date, employer and job classification.

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

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

<sup>2</sup> Employees hired after a certain date use the revised benefit calculation based on the highest 60 months

<sup>3</sup> Members in regular plan 2.5%, hazardous duty plan 3.33%, and judges 3.5%

**Contributions**

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. In addition, MERS and FRS receive a percentage of ad valorem taxes collected by parishes. These entities are not participating employers in the pension systems and are considered to be nonemployer contributing entities. Contributions of employees, employers, and non-employer contributing entities effective for the year ended October 31, 2017 for the defined benefit pension plans in which the City is a participating employer were as follows:

| Plan   | Active Member Contribution Percentage | Employer Contribution Percentage | Amount from Nonemployer Contributing Entities | Amount of Government Contributions |
|--------|---------------------------------------|----------------------------------|---|------------------------------------|
| MERS   | 9.50%                                 | 24.75%                           | \$ 114,394                                    | \$ 796,857                         |
| FRS    | 10.00%                                | 26.50%                           | 263,338                                       | 607,873                            |
| LASERS | 13.00%                                | 39.60%                           | -   | 14,982                             |

**Net Pension Liability**

The City's net pension liability at October 31, 2017 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2017) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability for each of the plans in which it participates was based on the City's required contributions in proportion to total required contributions for all employers.

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

| Plan   | Proportionate Share of Net Pension Liability | Proportionate Share (%) of Net Pension Liability | Increase/(Decrease) from Prior Measurement Date |
|--------|--|--|---|
| MERS   | \$ 7,775,045                                 | 1.858537%  | -0.129147%                                      |
| FRS    | 5,963,559                                    | 1.040425%  | -0.096982%                                      |
| LASERS | 157,177                                      | 0.002230%  | 0.000060%                                       |
| Total  | <u>\$13,895,781</u>                          |  |   |

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

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

**Actuarial Assumptions**

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

|   | MERS                 | FRS                  | LASERS           |
|---|----------------------|----------------------|------------------|
| Date of experience study on which significant assumptions are based | 7/1/2009 - 6/30/2014 | 7/1/2009 - 6/30/2014 | 2009 - 2013      |
| Actuarial cost method   | Entry age normal     | Entry age normal     | Entry age normal |
| Expected remaining service lives                                    | 3                    | 7                    | 3                |
| Inflation Rate  | 2.775%               | 2.775%               | 2.75%            |
| Projected salary increases  | 5.0%                 | 4.75% - 15.0%        | 2.8% - 14.3%     |
| Projected benefit changes including COLAs                           | None                 | None                 | None             |
| Source of mortality assumptions                                     | (1), (2), (4)        | (3), (4)             | (5), (6)         |

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

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

**Cost of Living Adjustments**

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

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

**Discount Rate**

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

|  | <u>MERS</u> | <u>FRS</u> | <u>LASERS</u> |
|--|-------------|------------|---------------|
| Discount rate                            | 7.40%       | 7.40%      | 7.70%         |
| Plan cash flow assumptions               | (1)         | (1)        | (1)           |
| Rates incorporated in the Discount Rate: |             |            |               |
| Long-term Rate of Return                 | 7.40%       | 7.40%      | 7.70%         |
| Periods applied                          | All         | All        | All           |
| Municipal Bond Rate                      | N/A         | N/A        | N/A           |

**\*Plan Cash Flow Assumptions:**

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

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

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

| Asset Class                      | MERS*             |  | FRS*              |  | LASERS**          |  |
|----------------------------------|-------------------|--|-------------------|--|-------------------|--|
|                                  | Target Allocation | Long-term Expected Real Rate of Return | Target Allocation | Long-term Expected Real Rate of Return | Target Allocation | Long-term Expected Real Rate of Return |
| Fixed Income                     | 35%               | 1.60%                                  | 23%               | 2.04%                                  | -                 | -                                      |
| Domestic Fixed Income            | -                 | -                                      | -                 | -                                      | 8%                | 1.73%                                  |
| Internat'l Fixed Income          | -                 | -                                      | -                 | -                                      | 6%                | 2.49%                                  |
| Domestic Equity                  | 50%               | 2.30%                                  | 27%               | 6.15%                                  | 25%               | 4.31%                                  |
| International Equity             | -                 | -                                      | 20%               | 7.45%                                  | 32%               | 5.35%                                  |
| Global Equity                    | -                 | -                                      | 10%               | 6.85%                                  | -                 | -                                      |
| Global Tactical Asset Allocation | -                 | -                                      | 5%                | 4.40%                                  | 7%                | 2.84%                                  |
| Risk Parity                      | -                 | -                                      | 5%                | 4.79%                                  | -                 | -                                      |
| Real Estate                      | -                 | -                                      | 6%                | 4.62%                                  | -                 | -                                      |
| Private Equity                   | -                 | -                                      | 4%                | 8.73%                                  | -                 | -                                      |
| Alternative Investments          | 0.150             | 0.70%                                  | -                 | -                                      | 22%               | 7.41%                                  |
| Total                            | <u>100%</u>       |  | <u>100%</u>       |  | <u>100%</u>       |  |

\*Arithmetic real rates of return

\*\*Geometric real rates of return

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended October 31, 2017, the City recognized \$1,183,813, \$957,940, and \$18,395 in pension expense for MERS, FRS, and LASERS, respectively.

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

At October 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred Outflows of Resources |                    |                  |                    |
|--|--------------------------------|--------------------|------------------|--------------------|
|  | MERS                           | FRS                | LASERS           | Total              |
| Difference between expected and actual experience  | \$ -                           | \$ -               | \$ -             | \$ -               |
| Changes of assumptions   | 130,006                        | 249,428            | 621              | 380,055            |
| Change in proportion and differences between the employer's contributions and its proportionate share of contributions | 15,430                         | 169,409            | 217              | 185,056            |
| Net differences between projected and actual earnings on plan investments  | 1,567,852                      | 513,038            | 5,111            | 2,086,001          |
| Contributions subsequent to the measurement date   | 264,949                        | 191,060            | 4,856            | 460,865            |
| Total  | <u>\$1,978,237</u>             | <u>\$1,122,935</u> | <u>\$ 10,805</u> | <u>\$3,111,977</u> |

|  | Deferred Inflows of Resources |                    |                 |                    |
|--|-------------------------------|--------------------|-----------------|--------------------|
|  | MERS                          | FRS                | LASERS          | Total              |
| Difference between expected and actual experience  | \$ 236,796                    | \$ 332,570         | \$ 2,884        | \$ 572,250         |
| Changes of assumptions   | -                             | 1,422              | -               | 1,422              |
| Change in proportion and differences between the employer's contributions and its proportionate share of contributions | 275,681                       | 703,812            | 306             | 979,799            |
| Total  | <u>\$ 512,477</u>             | <u>\$1,037,804</u> | <u>\$ 3,190</u> | <u>\$1,553,471</u> |

Deferred outflows of resources of \$460,865 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending October 31, 2017. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

| Year Ended<br>October 31 | MERS               | FRS                 | LASERS          | Total               |
|--------------------------|--------------------|---------------------|-----------------|---------------------|
| 2017                     | \$ 304,485         | \$ 134,013          | \$ (567)        | \$ 437,931          |
| 2018                     | 485,835            | 236,746             | 4,445           | 727,026             |
| 2019                     | 340,180            | 9,128               | 2,045           | 351,353             |
| 2020                     | 70,311             | (317,345)           | (3,164)         | (250,198)           |
| 2021                     | -                  | (110,528)           | -               | (110,528)           |
| Thereafter               | -                  | (57,943)            | -               | (57,943)            |
|                          | <u>\$1,200,811</u> | <u>\$ (105,929)</u> | <u>\$ 2,759</u> | <u>\$ 1,097,641</u> |

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

| Plan   | Current<br>Discount<br>Rate | Net Pension Liability |                             |                |
|--------|-----------------------------|-----------------------|-----------------------------|----------------|
|        |                             | 1%<br>Decrease        | Current<br>Discount<br>Rate | 1%<br>Increase |
| MERS   | 7.50%                       | \$ 9,907,990          | \$ 7,775,045                | \$ 5,955,699   |
| FRS    | 7.40%                       | 8,569,404             | 5,963,559                   | 3,772,972      |
| LASERS | 7.75%                       | 209,642               | 157,177                     | 137,493        |

**Payables to the Pension Plans**

At October 31, 2017, the City had paid all of the contractually required contributions to MERS, FRS, and LASERS.

(13) On-Behalf Payments of Salaries

During the year ended October 31, 2017, the State of Louisiana paid the City’s firemen \$261,816 of supplemental pay, which is included in the accompanying financial statements as intergovernmental revenues and public safety expenditures in the government-wide and General Fund financial statements.

(14) Contingent Liabilities

The City owns and operates treatment works known as the Sucrose Drive Wastewater Treatment Plant located in the City that treats and discharges domestic and commercial sewage from the City and adjacent unincorporated areas and the Tete Bayou Wastewater Treatment Plant that serves citizens of the City and Iberia Parish under NPDES permits. The United States of America on behalf of the EPA has filed a complaint seeking injunctive relief and civil penalties pursuant to Section 309 of the Clean Water Act, 33 U.S.C. subsection 1319(e), naming as defendant the City of New Iberia pursuant to Section 309(e) of the Clean Water Act, 33 U.S.C. subsection 1319(e). The State of Louisiana on behalf of the LDEQ has joined the complaint against the City for its alleged violations of the Clean Water Act, and the Louisiana Environmental Quality Act, LSA-R.S. 30:2001, et seq. The complaint alleges that the City has violated Section 301 of the Clean Water Act, 33 U.S.C. subsection 1311 and conditions established in its NPDES permits. The parties to the complaint have negotiated and have reached settlement of the issues raised in the complaint and entered into a consent decree to resolve the claims alleged in the complaint.

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

As of May 31, 2016, the City declared that it has completed construction of all elements of the Collection System remedial elements related to the Tete Bayou Plant, the New Plant and the City's Collection System, including compliance with each of the following requirements: remedial measures, outreach and public awareness, reporting, civil penalties and stipulated penalties. Beginning June 1, 2016 the City began its twelve (12) month period demonstrating continuous and satisfactory compliance with the terms and conditions of the Consent Decree. Subsequent to the twelve month compliance period, on June 30, 2017 the City served upon the United States and the State, a Letter of Request for Termination. The City awaits the decision of the United States in this matter.

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The City's management believes that any liability for reimbursement which may arise as the result of these audits would not be material to the financial statements.

At October 31, 2017, the City was involved in several lawsuits claiming damages. According to legal counsel for the City, there is adequate insurance on all cases where monetary damages are sought.

(15) Compensation of City Officials

A detail of compensation paid to the City Council for the year ended October 31, 2017 follows:

City Council:

|                  |                  |
|------------------|------------------|
| Calvin Begnaud   | 2,316            |
| David Broussard  | 9,116            |
| Dan Doerle       | 12,637           |
| Peggy Garac      | 2,316            |
| Sherry Guidry    | 9,116            |
| Deidra Ledbetter | 9,116            |
| Marlon Lewis     | 9,116            |
| Raymond Lewis    | 2,316            |
| Natalie Lopez    | 11,432           |
| David Merrill    | 2,316            |
| Dustin Suire     | 9,116            |
| Robert Suire     | 2,316            |
|                  | <u>\$ 81,229</u> |

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

The schedule of compensation, benefits, and other payments to the agency heads from November 1, 2016 through October 31, 2017 follows:

| Purpose               | Hilda Curry<br>November 1, 2016 -<br>December 31, 2016 | Freddie DeCourt<br>January 1, 2017 -<br>October 31, 2017 |
|-----------------------|--|--|
| Salary                | \$ 17,941  | \$ 62,769  |
| Benefits - insurance  | 1,946  | 5,563  |
| Benefits - retirement | 4,082  | 13,792   |
| Benefits - other      | 19   | 67   |
| Car allowance         | 2,000  | 10,000   |

(17) Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the last three years.

(18) Interfund Transfers

Interfund transfers consisted of the following at October 31, 2017:

|                                   | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------------------|---------------------|----------------------|
| Major governmental funds:         |                     |                      |
| General Fund                      | \$ 7,958,353        | \$ 1,610,936         |
| Sales Tax Special Revenue Fund    | -                   | 8,258,269            |
| Public Works Special Revenue Fund | 1,415,831           | -                    |
| Nonmajor governmental funds:      |                     |                      |
| Special revenue funds             | 207,260             | -                    |
| Debt service funds                | 830,335             | 538,419              |
| Capital projects funds            | 14,475              | -                    |
| Total governmental funds          | <u>10,426,254</u>   | <u>10,407,624</u>    |
| Proprietary Fund:                 |                     |                      |
| Enterprise Fund                   | -                   | 26,630               |
| Fiduciary Fund                    | 8,000               | -                    |
| Total                             | <u>\$10,434,254</u> | <u>\$10,434,254</u>  |

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

CITY OF NEW IBERIA, LOUISIANA

Notes to Basic Financial Statements (Continued)

(19) Tax Abatement

The City is subject to tax abatements granted by the Department of Economic Development. This program has the stated purpose of increasing business activity and employment in the City and the State. Under the program, companies commit to expand or maintain facilities or employment in the City, establish a new business in the City, or relocate an existing business to the City. Agreements include an abatement of ad valorem taxes for a period of 10 years from the initial assessment date. The City's ad valorem tax revenues were reduced by \$700 as a result of the tax abatement.

(20) New Accounting Pronouncements

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This statement amends accounting and financial reporting requirements related to postemployment benefits other than pensions for governments. The provisions of GASB No. 75 must be implemented by the City for the year ended October 31, 2018. The effect of implementation on the City's financial statements has not yet been determined.

(21) Change in Estimate

For the year ended October 31, 2017, the City changed the useful life estimate for the sewer plant. The change is being applied prospectively, beginning November 1, 2016. The effect of this change in the current period is a decrease of \$675,262 in Sewerage Fund operating expenses and business-type activities expenses and the corresponding increases in changes in net position for the Sewerage Fund and the business-type activities.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

CITY OF NEW IBERIA, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended October 31, 2017

|   | Budget              |                     | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|---------------------|---------------------|---|
|   | Original            | Final               |                     |   |
| <b>Revenues:</b>                            |                     |                     |                     |   |
| Taxes -                                     |                     |                     |                     |   |
| Ad valorem                                  | \$ 1,240,846        | \$ 1,197,068        | \$ 1,176,066        | \$ (21,002)   |
| Sales and use                               | 1,614,850           | 1,614,850           | 1,628,066           | 13,216  |
| Franchise                                   | 1,710,778           | 1,710,778           | 1,834,372           | 123,594   |
| Licenses and permits                        | 1,647,600           | 1,647,600           | 1,621,697           | (25,903)  |
| Intergovernmental -                         |                     |                     |                     |   |
| Federal                                     | 20,000              | 134,231             | 80,015              | (54,216)  |
| State                                       | 490,136             | 490,136             | 453,921             | (36,215)  |
| Local                                       | 36,370              | 40,472              | 41,163              | 691   |
| Charges for services                        | 38,475              | 38,475              | 46,522              | 8,047   |
| Fines and forfeits                          | 2,000               | 2,000               | 3,504               | 1,504   |
| Investment income                           | 19,100              | 19,100              | 19,914              | 814   |
| Miscellaneous                               | 104,250             | 104,250             | 115,481             | 11,231  |
| Total revenues                              | <u>6,924,405</u>    | <u>6,998,960</u>    | <u>7,020,721</u>    | <u>21,761</u>   |
| <b>Expenditures:</b>                        |                     |                     |                     |   |
| Current -                                   |                     |                     |                     |   |
| General government                          | 2,203,563           | 2,202,881           | 2,019,160           | 183,721   |
| Public safety                               | 11,776,565          | 11,815,341          | 11,336,630          | 478,711   |
| Culture and recreation                      | 32,885              | 32,885              | 27,618              | 5,267   |
| Capital outlay                              | -                   | 176,178             | 108,228             | 67,950  |
| Total expenditures                          | <u>14,013,013</u>   | <u>14,227,285</u>   | <u>13,491,636</u>   | <u>735,649</u>  |
| Deficiency of revenues<br>over expenditures | <u>(7,088,608)</u>  | <u>(7,228,325)</u>  | <u>(6,470,915)</u>  | <u>757,410</u>  |
| <b>Other financing sources (uses):</b>      |                     |                     |                     |   |
| Transfers in                                | 8,258,351           | 7,958,351           | 7,958,353           | 2   |
| Transfers out                               | <u>(1,870,612)</u>  | <u>(1,651,612)</u>  | <u>(1,610,936)</u>  | <u>40,676</u>   |
| Total other financing sources (uses)        | <u>6,387,739</u>    | <u>6,306,739</u>    | <u>6,347,417</u>    | <u>40,678</u>   |
| Net change in fund balance                  | (700,869)           | (921,586)           | (123,498)           | 798,088   |
| Fund balance, beginning                     | <u>6,882,069</u>    | <u>6,882,069</u>    | <u>6,882,069</u>    | <u>-</u>  |
| Fund balance, ending                        | <u>\$ 6,181,200</u> | <u>\$ 5,960,483</u> | <u>\$ 6,758,571</u> | <u>\$ 798,088</u>                                       |

CITY OF NEW IBERIA, LOUISIANA  
Special Revenue Fund  
Sales Tax Fund

Budgetary Comparison Schedule  
For the Year Ended October 31, 2017

|                                      | Budget             |                    | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|--------------------|--------------------|--------------------|---|
|                                      | Original           | Final              |                    |   |
| <b>Revenues:</b>                     |                    |                    |                    |   |
| Taxes -                              |                    |                    |                    |   |
| Sales and use                        | \$ 8,073,050       | \$ 8,073,050       | \$ 8,140,329       | \$ 67,279   |
| Investment income                    | <u>3,200</u>       | <u>3,200</u>       | <u>4,725</u>       | <u>1,525</u>  |
| Total revenues                       | 8,076,250          | 8,076,250          | 8,145,054          | 68,804  |
| <b>Expenditures:</b>                 |                    |                    |                    |   |
| Current -                            |                    |                    |                    |   |
| General government                   | <u>78,000</u>      | <u>86,500</u>      | <u>81,859</u>      | <u>4,641</u>  |
| Excess of revenues over expenditures | 7,998,250          | 7,989,750          | 8,063,195          | 73,445  |
| <b>Other financing uses:</b>         |                    |                    |                    |   |
| Transfers out                        | <u>(8,557,863)</u> | <u>(8,257,863)</u> | <u>(8,258,269)</u> | <u>(406)</u>  |
| Net change in fund balance           | (559,613)          | (268,113)          | (195,074)          | 73,039  |
| Fund balance, beginning              | <u>683,083</u>     | <u>683,083</u>     | <u>683,083</u>     | <u>-</u>  |
| Fund balance, ending                 | <u>\$ 123,470</u>  | <u>\$ 414,970</u>  | <u>\$ 488,009</u>  | <u>\$ 73,039</u>  |

CITY OF NEW IBERIA, LOUISIANA  
Special Revenue Fund  
Garbage Fund

Budgetary Comparison Schedule  
For the Year Ended October 31, 2017

|  | Budget           |                  | Actual           | Variance with<br>Final Budget |
|--|------------------|------------------|------------------|-------------------------------|
|  | Original         | Final            |                  | Positive<br>(Negative)        |
| <b>Revenues:</b>                                     |                  |                  |                  |                               |
| Taxes -  |                  |                  |                  |                               |
| Sales and use  | \$ 3,229,700     | \$ 3,229,700     | \$ 3,256,132     | \$ 26,432                     |
| Investment income                                    | 1,300            | 1,300            | 1,503            | 203                           |
| Miscellaneous  | 1,200,000        | 1,200,000        | 1,200,000        | -                             |
| Total revenues                                       | <u>4,431,000</u> | <u>4,431,000</u> | <u>4,457,635</u> | <u>26,635</u>                 |
| <b>Expenditures:</b>                                 |                  |                  |                  |                               |
| Current -  |                  |                  |                  |                               |
| General government                                   | 31,200           | 31,200           | 32,744           | (1,544)                       |
| Public works   | 4,407,922        | 4,407,922        | 4,407,922        | -                             |
| Total expenditures                                   | <u>4,439,122</u> | <u>4,439,122</u> | <u>4,440,666</u> | <u>(1,544)</u>                |
| Excess (deficiency) of revenues over<br>expenditures | (8,122)          | (8,122)          | 16,969           | 25,091                        |
| Fund balance, beginning                              | <u>56,463</u>    | <u>56,463</u>    | <u>56,463</u>    | <u>-</u>                      |
| Fund balance, ending                                 | <u>\$ 48,341</u> | <u>\$ 48,341</u> | <u>\$ 73,432</u> | <u>\$ 25,091</u>              |

CITY OF NEW IBERIA, LOUISIANA  
Public Works

Budgetary Comparison Schedule  
For the Year Ended October 31, 2017

|   | Budget            |                  | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------|------------------|------------------|---|
|   | Original          | Final            |                  |   |
| <b>Revenues:</b>                            |                   |                  |                  |   |
| Taxes -                                     |                   |                  |                  |   |
| Ad valorem                                  | \$ 731,763        | \$ 705,587       | \$ 703,195       | \$ (2,392)  |
| Intergovernmental -                         |                   |                  |                  |   |
| Federal                                     | 259,000           | 7,360            | 7,361            | 1   |
| State                                       | 32,350            | 32,350           | 32,350           | -   |
| Charges for services                        | 5,000             | 15,000           | 20,350           | 5,350   |
| Investment income                           | 2,000             | 2,000            | 1,904            | (96)  |
| Miscellaneous                               | -                 | 1,654            | 8,011            | 6,357   |
| Total revenues                              | <u>1,030,113</u>  | <u>763,951</u>   | <u>773,171</u>   | <u>9,220</u>  |
| <b>Expenditures:</b>                        |                   |                  |                  |   |
| Current -                                   |                   |                  |                  |   |
| Public works                                | 2,579,903         | 2,431,214        | 2,310,915        | 120,299   |
| Capital outlay                              | 209,000           | 328,650          | 328,643          | 7   |
| Total expenditures                          | <u>2,788,903</u>  | <u>2,759,864</u> | <u>2,639,558</u> | <u>120,306</u>  |
| Deficiency of revenues<br>over expenditures | (1,758,790)       | (1,995,913)      | (1,866,387)      | 129,526   |
| <b>Other financing sources (uses):</b>      |                   |                  |                  |   |
| Transfers in                                | 1,620,676         | 1,451,676        | 1,415,831        | (35,845)  |
| Net change in fund balance                  | (138,114)         | (544,237)        | (450,556)        | 93,681  |
| Fund balance, beginning                     | <u>544,914</u>    | <u>544,914</u>   | <u>544,914</u>   | <u>-</u>  |
| Fund balance, ending                        | <u>\$ 406,800</u> | <u>\$ 677</u>    | <u>\$ 94,358</u> | <u>\$ 93,681</u>  |

CITY OF NEW IBERIA, LOUISIANA

Schedule of Employers' Share of Net Pension Liability  
For the Year Ended October 31, 2017\*

| <u>Year Ended October 31,</u>                       | <u>Employer Proportion of the Net Pension Liability (Asset)</u> | <u>Employer Proportionate Share of the Net Pension Liability (Asset)</u> | <u>Employer's Covered Employee Payroll</u> | <u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u> | <u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u> |
|---|---|--|--|--|---|
| <b>Municipal Employees' Retirement System</b>       |   |  |  |  |   |
| 2017  | 1.858537%   | \$ 7,775,045   | \$3,375,232                                | 230.4%   | 63.49%  |
| 2016  | 1.987684%   | 8,146,941  | 3,550,694                                  | 229.4%   | 63.34%  |
| 2015  | 1.972086%   | 7,044,600  | 3,381,856                                  | 208.3%   | 66.18%  |
| <b>Firefighters' Retirement System of Louisiana</b> |   |  |  |  |   |
| 2017  | 1.040425%   | \$ 5,963,559   | \$2,429,249                                | 245.5%   | 73.55%  |
| 2016  | 1.137407%   | 7,439,670  | 2,395,441                                  | 310.6%   | 68.16%  |
| 2015  | 1.197499%   | 6,463,037  | 2,481,858                                  | 260.4%   | 72.45%  |
| <b>Louisiana State Employees' Retirement System</b> |   |  |  |  |   |
| 2017  | 0.002230%   | \$ 157,177   | \$ 39,853                                  | 394.4%   | 62.50%  |
| 2016  | 0.002170%   | 170,636  | 41,388                                     | 412.3%   | 57.70%  |
| 2015  | 0.002220%   | 150,857  | 42,738                                     | 353.0%   | 62.70%  |

\* The amounts presented have a measurement date of June 30th of each year.

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

CITY OF NEW IBERIA, LOUISIANA

Municipal Employees' Retirement System  
 Schedule of Employer Contributions  
 For the Year Ended October 31, 2017

| <u>Year Ended<br/>October 31,</u>                   | <u>Contractually<br/>Required<br/>Contribution</u> | <u>Contributions in<br/>Relation to<br/>Contractual<br/>Required<br/>Contribution</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Employer's<br/>Covered<br/>Employee<br/>Payroll</u> | <u>Contributions<br/>as a % of<br/>Covered<br/>Employee<br/>Payroll</u> |
|---|--|---|---|--|---|
| <b>Municipal Employees' Retirement System</b>       |  |   |   |  |   |
| 2017  | \$ 796,857   | \$ 796,857  | \$ -  | \$ 3,328,522   | 23.94%  |
| 2016  | 704,708  | 704,708   | -   | 3,410,598  | 20.66%  |
| 2015  | 673,246  | 673,246   | -   | 3,408,841  | 19.75%  |
| <b>Firefighters' Retirement System of Louisiana</b> |  |   |   |  |   |
| 2017  | \$ 607,873   | \$ 607,873  | \$ -  | \$ 2,371,725   | 25.63%  |
| 2016  | 666,715  | 666,715   | -   | 2,328,692  | 28.63%  |
| 2015  | 723,823  | 723,823   | -   | 2,366,673  | 30.58%  |
| <b>Louisiana State Employees' Retirement System</b> |  |   |   |  |   |
| 2017  | \$ 14,982  | \$ 14,982   | \$ -  | \$ 39,855  | 37.59%  |
| 2016  | 15,344   | 15,344  | -   | 39,855   | 38.50%  |
| 2015  | 15,280   | 15,280  | -   | 41,029   | 37.24%  |

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

CITY OF NEW IBERIA, LOUISIANA

Schedule of Funding Progress  
For the Year Ended October 31, 2017

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets | Actuarial<br>Accrued<br>Liabilities<br>(AAL) | Unfunded<br>Actuarial<br>Accrued<br>Liabilities<br>(UAAL) | Funded<br>Ratio | Covered<br>Payroll | UAAL as a<br>Percentage<br>of Covered<br>Payroll |
|--------------------------------|---------------------------------|--|---|-----------------|--------------------|--|
| November 1, 2009               | \$ -                            | \$15,833,233                                 | \$15,833,233  | 0.0%            | \$6,701,514        | 236.3%   |
| November 1, 2010               | -                               | 17,367,581                                   | 17,367,581  | 0.0%            | 6,920,993          | 250.9%   |
| November 1, 2011               | -                               | 19,350,432                                   | 19,350,432  | 0.0%            | 6,728,439          | 287.6%   |
| November 1, 2013               | -                               | 4,678,470                                    | 4,678,470   | 0.0%            | 5,883,978          | 79.5%  |
| November 1, 2015               | -                               | 5,472,277                                    | 5,472,277   | 0.0%            | 5,633,932          | 97.1%  |

## CITY OF NEW IBERIA, LOUISIANA

### Notes to the Required Supplementary Information (Continued)

#### (1) Budget and Budgetary Accounting

The City follows the procedures detailed below in adopting its budget.

1. At least 45 days prior to the beginning of each fiscal year, the Mayor is required to submit to the City Council a proposed budget in the form required by the Charter.
2. A public hearing is required to be conducted to obtain taxpayer comments and notice thereof is published in the official journal at least ten days prior to such hearing. The notification is to include the time and place of the public hearing in addition to a general summary of the proposed budget.
3. Final adoption of the budget is required to be not later than October 31 of the fiscal year for the ensuing fiscal year.
4. Formal budgetary integration is employed as a management control device during the year for all funds. No payment can be made or obligated against any appropriation unless the Mayor or her designee first certifies that sufficient unencumbered funds are or will be available to meet the obligation when it becomes due and payable. In practice, this has generally been interpreted (due to the flexibility for intra departmental transfer of line item appropriations) to mean control at the departmental/fund level. Intra departmental transfers are approved by the Mayor or her designee. Budget adjustments which involve changes to total revenues and/or expenditures/expenses require Council approval.
5. Those budgets which the City adopts are on a basis consistent with generally accepted accounting principles as applied to governmental units.
6. All appropriations, except for capital outlays, lapse at the close of the fiscal year to the extent that they have not been expended or encumbered. Appropriations for capital outlays lapse after completion of the project.

All budgeted amounts presented reflect the original budget and the final budget (which have been adjusted for legally authorized revisions during the year).

#### (2) Pension Plan

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

CITY OF NEW IBERIA, LOUISIANA

Notes to the Required Supplementary Information (Continued)

(3) Excess of Expenditures Over Appropriations

For the year ended October 31, 2017, the following funds had actual expenditures over appropriations, at the functional level, as follows:

| <u>Fund and Function</u> | <u>Budget</u> | <u>Actual</u> | <u>Excess</u> |
|--------------------------|---------------|---------------|---------------|
| Garbage Fund:            |               |               |               |
| General government       | \$ 31,200     | \$ 32,744     | \$(1,544)     |

**OTHER SUPPLEMENTARY INFORMATION**

CITY OF NEW IBERIA, LOUISIANA

Statement of Net Position  
 October 31, 2017  
 With Comparative Totals for October 31, 2016

|  | 2017                       |                             |                      | 2016<br>Total        |
|--|----------------------------|-----------------------------|----------------------|----------------------|
|  | Governmental<br>Activities | Business-Type<br>Activities | Total                |                      |
| <b>ASSETS</b>                            |                            |                             |                      |                      |
| Cash and interest-bearing deposits       | \$ 13,522,516              | \$ 3,000,088                | \$ 16,522,604        | \$ 16,742,199        |
| Accounts receivable                      | 331,208                    | 316,954                     | 648,162              | 690,646              |
| Assessments receivable                   | 14,436                     | -                           | 14,436               | 66,600               |
| Due from other governmental units        | 2,161,730                  | 121,366                     | 2,283,096            | 2,777,596            |
| Real estate held for resale              | 61,343                     | -                           | 61,343               | 61,343               |
| Prepaid expenses                         | 874                        | -                           | 874                  | -                    |
| Restricted assets                        | -                          | 311,598                     | 311,598              | 311,287              |
| Capital assets:                          |                            |                             |                      |                      |
| Non-depreciable                          | 3,654,616                  | 1,520,979                   | 5,175,595            | 10,050,334           |
| Depreciable, net                         | <u>37,795,046</u>          | <u>44,570,783</u>           | <u>82,365,829</u>    | <u>81,477,618</u>    |
| Total assets                             | <u>57,541,769</u>          | <u>49,841,768</u>           | <u>107,383,537</u>   | <u>112,177,623</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>    |                            |                             |                      |                      |
| Deferred loss on refunding               | 1,401,677                  | 33,696                      | 1,435,373            | 1,205,725            |
| Deferred outflows of resources - pension | <u>2,467,072</u>           | <u>644,905</u>              | <u>3,111,977</u>     | <u>4,724,712</u>     |
| Total deferred outflows of resources     | <u>3,868,749</u>           | <u>678,601</u>              | <u>4,547,350</u>     | <u>5,930,437</u>     |
| <b>LIABILITIES</b>                       |                            |                             |                      |                      |
| Cash overdraft                           | 294,039                    | -                           | 294,039              | 136,902              |
| Accounts and other payables              | 684,379                    | 148,184                     | 832,563              | 1,485,791            |
| Accrued interest                         | 288,457                    | 102,875                     | 391,332              | 341,868              |
| Unearned revenue                         | 198,670                    | -                           | 198,670              | 181,495              |
| Long-term liabilities:                   |                            |                             |                      |                      |
| Portion due or payable within one year   | 1,800,400                  | 429,778                     | 2,230,178            | 2,237,594            |
| Portion due or payable after one year    | 19,621,157                 | 9,926,524                   | 29,547,681           | 31,706,872           |
| Other post employment benefits payable   | 5,289,900                  | -                           | 5,289,900            | 5,261,805            |
| Net pension liability                    | <u>11,361,116</u>          | <u>2,534,665</u>            | <u>13,895,781</u>    | <u>15,757,247</u>    |
| Total liabilities                        | <u>39,538,118</u>          | <u>13,142,026</u>           | <u>52,680,144</u>    | <u>57,109,574</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>     |                            |                             |                      |                      |
| Deferred inflows of resources - pension  | <u>1,386,403</u>           | <u>167,068</u>              | <u>1,553,471</u>     | <u>942,036</u>       |
| <b>NET POSITION</b>                      |                            |                             |                      |                      |
| Net investment in capital assets         | 22,005,491                 | 35,916,933                  | 57,922,424           | 59,717,983           |
| Restricted for:                          |                            |                             |                      |                      |
| Capital projects                         | 4,969,426                  | -                           | 4,969,426            | 4,490,580            |
| Debt service                             | 513,274                    | 208,723                     | 721,997              | 829,427              |
| Sales tax dedications                    | 5,572,232                  | -                           | 5,572,232            | 5,792,708            |
| Other                                    | 104,310                    | -                           | 104,310              | 82,424               |
| Unrestricted                             | <u>(12,678,736)</u>        | <u>1,085,619</u>            | <u>(11,593,117)</u>  | <u>(10,856,672)</u>  |
| Total net position                       | <u>\$ 20,485,997</u>       | <u>\$ 37,211,275</u>        | <u>\$ 57,697,272</u> | <u>\$ 60,056,450</u> |

CITY OF NEW IBERIA, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended October 31, 2017  
With Comparative Actual Amounts for the Year Ended October 31, 2016

|                      | 2017                |                     | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) | 2016<br>Actual      |
|----------------------|---------------------|---------------------|---------------------|---|---------------------|
|                      | Budget              |                     |                     |   |                     |
|                      | Original            | Final               |                     |   |                     |
| Revenues:            |                     |                     |                     |   |                     |
| Taxes -              |                     |                     |                     |   |                     |
| Ad valorem           | \$ 1,240,846        | \$ 1,197,068        | \$ 1,176,066        | \$ (21,002)   | \$ 1,149,792        |
| Sales and use        | 1,614,850           | 1,614,850           | 1,628,066           | 13,216  | 1,673,856           |
| Franchise            | 1,710,778           | 1,710,778           | 1,834,372           | 123,594   | 1,752,501           |
| Licenses and permits | 1,647,600           | 1,647,600           | 1,621,697           | (25,903)  | 1,673,511           |
| Intergovernmental -  |                     |                     |                     |   |                     |
| Federal              | 20,000              | 134,231             | 80,015              | (54,216)  | 26,632              |
| State                | 490,136             | 490,136             | 453,921             | (36,215)  | 467,174             |
| Local                | 36,370              | 40,472              | 41,163              | 691   | 64,597              |
| Charges for services | 38,475              | 38,475              | 46,522              | 8,047   | 49,009              |
| Fines and forfeits   | 2,000               | 2,000               | 3,504               | 1,504   | 26,715              |
| Investment income    | 19,100              | 19,100              | 19,914              | 814   | 21,527              |
| Miscellaneous        | 104,250             | 104,250             | 115,481             | 11,231  | 1,032,888           |
| Total revenues       | <u>\$ 6,924,405</u> | <u>\$ 6,998,960</u> | <u>\$ 7,020,721</u> | <u>\$ 21,761</u>  | <u>\$ 7,938,202</u> |

CITY OF NEW IBERIA, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended October 31, 2017  
With Comparative Actual Amounts for the Year Ended October 31, 2016

|                                 | 2017                 |                      | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) | 2016<br>Actual       |
|---------------------------------|----------------------|----------------------|----------------------|---|----------------------|
|                                 | Budget               |                      |                      |   |                      |
|                                 | Original             | Final                |                      |   |                      |
| <b>Current:</b>                 |                      |                      |                      |   |                      |
| <b>General government -</b>     |                      |                      |                      |   |                      |
| Salaries                        | \$ 960,534           | \$ 932,105           | \$ 902,004           | \$ 30,101   | \$ 916,214           |
| Payroll taxes                   | 18,561               | 18,561               | 17,070               | 1,491   | 17,292               |
| Retirement                      | 193,514              | 185,552              | 183,709              | 1,843   | 169,705              |
| Workers compensation            | 2,876                | 2,876                | 1,906                | 970   | 2,230                |
| Group insurance                 | 167,276              | 163,474              | 154,702              | 8,772   | 155,467              |
| Contracted services             | 241,195              | 294,449              | 254,002              | 40,447  | 304,444              |
| Dues and subscriptions          | 6,137                | 6,137                | 5,380                | 757   | 6,325                |
| Insurance                       | 295,700              | 295,700              | 223,572              | 72,128  | 270,260              |
| Miscellaneous                   | 21,600               | 21,600               | 11,030               | 10,570  | 4,640                |
| Nonprofit allocations           | 36,140               | 16,140               | 16,716               | (576)   | 41,996               |
| Office expense                  | 37,540               | 40,480               | 34,120               | 6,360   | 22,880               |
| Repairs and maintenance         | 92,740               | 94,757               | 94,357               | 400   | 145,451              |
| Travel and training             | 8,150                | 7,950                | 2,962                | 4,988   | 5,862                |
| Utilities and telephone         | 121,600              | 123,100              | 117,630              | 5,470   | 115,578              |
| Total general government        | <u>2,203,563</u>     | <u>2,202,881</u>     | <u>2,019,160</u>     | <u>183,721</u>  | <u>2,178,344</u>     |
| <b>Public safety -</b>          |                      |                      |                      |   |                      |
| Salaries                        | 3,061,683            | 3,079,183            | 2,914,611            | 164,572   | 2,952,210            |
| Payroll taxes                   | 37,078               | 37,078               | 36,278               | 800   | 35,401               |
| Retirement                      | 732,603              | 732,603              | 652,959              | 79,644  | 700,998              |
| Workers compensation            | 191,815              | 191,815              | 107,730              | 84,085  | 99,926               |
| Group insurance                 | 896,141              | 896,141              | 875,593              | 20,548  | 826,065              |
| Unemployment compensation       | -                    | -                    | 1,303                | (1,303)   | -                    |
| Contracted services             | 6,370,890            | 6,354,590            | 6,299,485            | 55,105  | 6,359,116            |
| Dues and subscriptions          | 4,105                | 4,105                | 2,437                | 1,668   | 3,478                |
| Insurance                       | 36,200               | 37,208               | 26,908               | 10,300  | 29,347               |
| Jail                            | 165,000              | 165,000              | 147,312              | 17,688  | 129,387              |
| Miscellaneous                   | 1,100                | 1,100                | 724                  | 376   | 448                  |
| Office expense                  | 9,950                | 9,950                | 6,621                | 3,329   | 7,603                |
| Repairs and maintenance         | 169,100              | 213,668              | 183,184              | 30,484  | 145,696              |
| Travel and training             | 53,500               | 45,500               | 42,399               | 3,101   | 24,174               |
| Utilities and telephone         | 47,400               | 47,400               | 39,086               | 8,314   | 39,682               |
| Total public safety             | <u>11,776,565</u>    | <u>11,815,341</u>    | <u>11,336,630</u>    | <u>478,711</u>  | <u>11,353,531</u>    |
| <b>Culture and recreation -</b> |                      |                      |                      |   |                      |
| Contracted services             | 264                  | 264                  | 264                  | -   | 264                  |
| Repairs and maintenance         | 18,921               | 18,921               | 17,956               | 965   | 18,665               |
| Utilities and telephone         | 13,700               | 13,700               | 9,398                | 4,302   | 10,038               |
| Total culture and recreation    | <u>32,885</u>        | <u>32,885</u>        | <u>27,618</u>        | <u>5,267</u>  | <u>28,967</u>        |
| Capital outlay                  | -                    | 176,178              | 108,228              | 67,950  | 29,398               |
| Total expenditures              | <u>\$ 14,013,013</u> | <u>\$ 14,227,285</u> | <u>\$ 13,491,636</u> | <u>\$ 735,649</u>                                       | <u>\$ 13,590,240</u> |

CITY OF NEW IBERIA, LOUISIANA  
Nonmajor Governmental Funds

Combining Balance Sheet - By Fund Type  
October 31, 2017

|  | Special<br>Revenue<br>Funds | Debt<br>Service<br>Funds | Capital<br>Projects<br>Funds | Total        |
|--|-----------------------------|--------------------------|------------------------------|--------------|
| <b>ASSETS</b>                            |                             |                          |                              |              |
| Cash and interest-bearing deposits       | \$ 817,419                  | \$ 801,731               | \$ 219,349                   | \$ 1,838,499 |
| Receivables:                             |                             |                          |                              |              |
| Accounts                                 | 4,779                       | -                        | -                            | 4,779        |
| Assessments                              | -                           | 14,436                   | -                            | 14,436       |
| Total assets                             | \$ 822,198                  | \$ 816,167               | \$ 219,349                   | \$ 1,857,714 |
| <b>LIABILITIES AND FUND BALANCES</b>     |                             |                          |                              |              |
| Liabilities:                             |                             |                          |                              |              |
| Overdraft                                | \$ -                        | \$ 14,436                | \$ -                         | \$ 14,436    |
| Accounts payable                         | 10,452                      | -                        | -                            | 10,452       |
| Accrued liabilities                      | 31,998                      | -                        | -                            | 31,998       |
| Unearned revenue                         | 87,445                      | -                        | 100,000                      | 187,445      |
| Total liabilities                        | 129,895                     | 14,436                   | 100,000                      | 244,331      |
| Fund balances -                          |                             |                          |                              |              |
| Restricted:                              |                             |                          |                              |              |
| Construction of capital assets           | -                           | -                        | 119,349                      | 119,349      |
| Purpose of grantors, trustees and donors | 104,310                     | -                        | -                            | 104,310      |
| Debt service                             | -                           | 801,731                  | -                            | 801,731      |
| Assigned - operations                    | 63,250                      | -                        | -                            | 63,250       |
| Assigned - disaster relief               | 524,743                     | -                        | -                            | 524,743      |
| Total fund balances                      | 692,303                     | 801,731                  | 119,349                      | 1,613,383    |
| Total liabilities and fund balances      | \$ 822,198                  | \$ 816,167               | \$ 219,349                   | \$ 1,857,714 |

CITY OF NEW IBERIA, LOUISIANA  
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended October 31, 2017

|   | <u>Special<br/>Revenue<br/>Funds</u> | <u>Debt<br/>Service<br/>Funds</u> | <u>Capital<br/>Projects<br/>Funds</u> | <u>Total</u>        |
|---|--------------------------------------|-----------------------------------|---------------------------------------|---------------------|
| <b>Revenues:</b>                            |                                      |                                   |                                       |                     |
| <b>Taxes:</b>                               |                                      |                                   |                                       |                     |
| Ad valorem                                  | \$ 603,321                           | \$ 2,105,513                      | \$ -                                  | \$ 2,708,834        |
| <b>Intergovernmental:</b>                   |                                      |                                   |                                       |                     |
| Federal                                     | 1,301,678                            | -                                 | -                                     | 1,301,678           |
| Charges for services                        | 87,567                               | -                                 | -                                     | 87,567              |
| Investment income                           | 3,653                                | 5,014                             | 238                                   | 8,905               |
| Miscellaneous                               | 45,457                               | 36,448                            | -                                     | 81,905              |
| Total revenues                              | <u>2,041,676</u>                     | <u>2,146,975</u>                  | <u>238</u>                            | <u>4,188,889</u>    |
| <b>Expenditures:</b>                        |                                      |                                   |                                       |                     |
| <b>Current -</b>                            |                                      |                                   |                                       |                     |
| General government                          | -                                    | 109,477                           | 9,000                                 | 118,477             |
| Culture and recreation                      | 1,137,018                            | -                                 | -                                     | 1,137,018           |
| Urban redevelopment and housing             | 1,275,460                            | -                                 | -                                     | 1,275,460           |
| <b>Debt service -</b>                       |                                      |                                   |                                       |                     |
| Principal                                   | -                                    | 1,771,600                         | -                                     | 1,771,600           |
| Interest                                    | -                                    | 716,114                           | -                                     | 716,114             |
| Capital outlay                              | 21,688                               | -                                 | 323,789                               | 345,477             |
| Total expenditures                          | <u>2,434,166</u>                     | <u>2,597,191</u>                  | <u>332,789</u>                        | <u>5,364,146</u>    |
| Deficiency of revenues<br>over expenditures | <u>(392,490)</u>                     | <u>(450,216)</u>                  | <u>(332,551)</u>                      | <u>(1,175,257)</u>  |
| <b>Other financing sources (uses):</b>      |                                      |                                   |                                       |                     |
| Bond proceeds                               | -                                    | 2,910,000                         | -                                     | 2,910,000           |
| Bond premium                                | -                                    | 272,058                           | -                                     | 272,058             |
| Payment to escrow agent                     | -                                    | (3,082,035)                       | -                                     | (3,082,035)         |
| Transfers in                                | 207,260                              | 830,335                           | 14,475                                | 1,052,070           |
| Transfers out                               | -                                    | (538,419)                         | -                                     | (538,419)           |
| Total other financing sources (uses)        | <u>207,260</u>                       | <u>391,939</u>                    | <u>14,475</u>                         | <u>613,674</u>      |
| Net changes in fund balances                | (185,230)                            | (58,277)                          | (318,076)                             | (561,583)           |
| Fund balances, beginning                    | <u>877,533</u>                       | <u>860,008</u>                    | <u>437,425</u>                        | <u>2,174,966</u>    |
| Fund balances, ending                       | <u>\$ 692,303</u>                    | <u>\$ 801,731</u>                 | <u>\$ 119,349</u>                     | <u>\$ 1,613,383</u> |

CITY OF NEW IBERIA, LOUISIANA

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 October 31, 2017

|  | <u>Parks and<br/>Recreation</u> | <u>Section 8<br/>Housing<br/>Voucher<br/>Program</u> | <u>Disaster<br/>Relief</u> | <u>Total</u>      |
|--|---------------------------------|--|----------------------------|-------------------|
| <b>ASSETS</b>                            |                                 |  |                            |                   |
| Cash and interest-bearing deposits       | \$ 187,697                      | \$ 104,979   | \$ 524,743                 | \$ 817,419        |
| Accounts receivable                      | -                               | 4,779  | -                          | 4,779             |
| Total assets                             | <u>\$ 187,697</u>               | <u>\$ 109,758</u>                                    | <u>\$ 524,743</u>          | <u>\$ 822,198</u> |
| <b>LIABILITIES AND FUND BALANCES</b>     |                                 |  |                            |                   |
| <b>Liabilities:</b>                      |                                 |  |                            |                   |
| Accounts payable                         | \$ 10,422                       | \$ 30  | -                          | \$ 10,452         |
| Accrued liabilities                      | 26,580                          | 5,418  | -                          | 31,998            |
| Unearned revenue                         | 87,445                          | -  | -                          | 87,445            |
| Total liabilities                        | <u>124,447</u>                  | <u>5,448</u>   | <u>-</u>                   | <u>129,895</u>    |
| <b>Fund balances:</b>                    |                                 |  |                            |                   |
| <b>Restricted-</b>                       |                                 |  |                            |                   |
| Purpose of grantors, trustees and donors | -                               | 104,310  | -                          | 104,310           |
| <b>Committed-</b>                        |                                 |  |                            |                   |
| Operations                               | 63,250                          | -  | -                          | 63,250            |
| Disaster relief                          | -                               | -  | 524,743                    | 524,743           |
| Total fund balances                      | <u>63,250</u>                   | <u>104,310</u>                                       | <u>524,743</u>             | <u>692,303</u>    |
| Total liabilities and fund balances      | <u>\$ 187,697</u>               | <u>\$ 109,758</u>                                    | <u>\$ 524,743</u>          | <u>\$ 822,198</u> |

CITY OF NEW IBERIA, LOUISIANA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Year Ended October 31, 2017

|  | <u>Parks and<br/>Recreation</u> | <u>Section 8<br/>Housing<br/>Voucher<br/>Program</u> | <u>Disaster<br/>Relief</u> | <u>Total</u>      |
|--|---------------------------------|--|----------------------------|-------------------|
| <b>Revenues:</b>                                     |                                 |  |                            |                   |
| Taxes-   |                                 |  |                            |                   |
| Ad valorem   | \$ 603,321                      | \$ -   | \$ -                       | \$ 603,321        |
| Intergovernmental-                                   |                                 |  |                            |                   |
| Federal  | 5,001                           | 1,296,677  | -                          | 1,301,678         |
| State  | -                               | -  | -                          | -                 |
| Charges for services                                 | 87,567                          | -  | -                          | 87,567            |
| Investment income                                    | 1,661                           | 669  | 1,323                      | 3,653             |
| Miscellaneous  | 45,457                          | -  | -                          | 45,457            |
| Total revenues                                       | <u>743,007</u>                  | <u>1,297,346</u>                                     | <u>1,323</u>               | <u>2,041,676</u>  |
| <b>Expenditures:</b>                                 |                                 |  |                            |                   |
| Current -  |                                 |  |                            |                   |
| Public works   | -                               | -  | -                          | -                 |
| Culture and recreation                               | 1,137,018                       | -  | -                          | 1,137,018         |
| Urban redevelopment housing                          | -                               | 1,275,460  | -                          | 1,275,460         |
| Capital outlay                                       | 21,688                          | -  | -                          | 21,688            |
| Total expenditures                                   | <u>1,158,706</u>                | <u>1,275,460</u>                                     | <u>-</u>                   | <u>2,434,166</u>  |
| Excess (deficiency) of revenues<br>over expenditures | (415,699)                       | 21,886   | 1,323                      | (392,490)         |
| <b>Other financing sources:</b>                      |                                 |  |                            |                   |
| Transfers in   | <u>207,260</u>                  | <u>-</u>   | <u>-</u>                   | <u>207,260</u>    |
| Net changes in fund balances                         | (208,439)                       | 21,886   | 1,323                      | (185,230)         |
| Fund balances, beginning                             | <u>271,689</u>                  | <u>82,424</u>  | <u>523,420</u>             | <u>877,533</u>    |
| Fund balances, ending                                | <u>\$ 63,250</u>                | <u>\$ 104,310</u>                                    | <u>\$ 524,743</u>          | <u>\$ 692,303</u> |

CITY OF NEW IBERIA, LOUISIANA  
Parks and Recreation Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended October 31, 2017  
With Comparative Actual Amounts for the Year Ended October 31, 2016

|                              | 2017               |                    |                    |   | 2016<br>Actual     |
|------------------------------|--------------------|--------------------|--------------------|---|--------------------|
|                              | Budget             |                    | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |                    |
|                              | Original           | Final              |                    |   |                    |
| Culture and recreation:      |                    |                    |                    |   |                    |
| Salaries                     | \$ 555,113         | \$ 561,613         | \$ 542,800         | \$ 18,813   | \$ 541,654         |
| Payroll taxes                | 12,780             | 12,780             | 13,082             | (302)   | 12,430             |
| Retirement                   | 108,075            | 108,075            | 104,843            | 3,232   | 93,670             |
| Unemployment compensation    | 1,500              | 1,500              | 5,669              | (4,169)   | 401                |
| Workers compensation         | 28,159             | 28,159             | 14,524             | 13,635  | 14,189             |
| Group insurance              | 135,929            | 135,929            | 119,190            | 16,739  | 118,821            |
| Contracted services          | 24,264             | 25,864             | 20,089             | 5,775   | 23,232             |
| Insurance                    | 18,500             | 18,500             | 14,159             | 4,341   | 21,977             |
| Miscellaneous                | 500                | 500                | 52                 | 448   | 272                |
| Programs                     | 39,000             | 39,000             | 30,743             | 8,257   | 30,968             |
| Office expense               | 4,600              | 4,600              | 4,892              | (292)   | 5,315              |
| Repairs and maintenance      | 116,650            | 193,550            | 175,026            | 18,524  | 99,204             |
| Travel and training          | 250                | 250                | -                  | 250   | -                  |
| Utilities and telephone      | 106,200            | 106,200            | 91,949             | 14,251  | 91,537             |
| Total culture and recreation | 1,151,520          | 1,236,520          | 1,137,018          | 99,502  | 1,053,670          |
| Capital outlay               | -                  | 27,271             | 21,688             | 5,583   | 18,099             |
| Total expenditures           | <u>\$1,151,520</u> | <u>\$1,263,791</u> | <u>\$1,158,706</u> | <u>\$ 105,085</u>                                       | <u>\$1,071,769</u> |

CITY OF NEW IBERIA, LOUISIANA

Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 October 31, 2017

|  | <u>General<br/>Obligation<br/>Debt<br/>Service</u> | <u>Debt<br/>Service</u> | <u>Spanish<br/>Towne<br/>Paving<br/>Assessments</u> | <u>Spanish<br/>Towne<br/>Sewerage<br/>Assessments</u> | <u>2009 Sinking<br/>Fund</u> | <u>2010 Sinking<br/>Fund</u> | <u>Total</u>      |
|--|--|-------------------------|---|---|------------------------------|------------------------------|-------------------|
| <b>ASSETS</b>                              |  |                         |   |   |                              |                              |                   |
| Cash and interest-bearing deposits         | \$ 201,652   | \$ -                    | \$ -  | \$ -  | \$ 382,025                   | \$ 218,054                   | \$ 801,731        |
| Assessments receivable                     | -  | -                       | 12,624  | 1,812   | -                            | -                            | 14,436            |
| <b>Total assets</b>                        | <u>\$ 201,652</u>                                  | <u>\$ -</u>             | <u>\$ 12,624</u>                                    | <u>\$ 1,812</u>                                       | <u>\$ 382,025</u>            | <u>\$ 218,054</u>            | <u>\$ 816,167</u> |
| <b>LIABILITIES AND FUND BALANCES</b>       |  |                         |   |   |                              |                              |                   |
| <b>Liabilities:</b>                        |  |                         |   |   |                              |                              |                   |
| Overdraft                                  | \$ -   | \$ -                    | \$ 12,624   | \$ 1,812  | \$ -                         | \$ -                         | \$ 14,436         |
| <b>Fund balances:</b>                      |  |                         |   |   |                              |                              |                   |
| Restricted - debt service                  | <u>201,652</u>                                     | <u>-</u>                | <u>-</u>  | <u>-</u>  | <u>382,025</u>               | <u>218,054</u>               | <u>801,731</u>    |
| <b>Total liabilities and fund balances</b> | <u>\$ 201,652</u>                                  | <u>\$ -</u>             | <u>\$ 12,624</u>                                    | <u>\$ 1,812</u>                                       | <u>\$ 382,025</u>            | <u>\$ 218,054</u>            | <u>\$ 816,167</u> |

CITY OF NEW IBERIA, LOUISIANA  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Year Ended October 31, 2017

|  | General<br>Obligation<br>Debt<br>Service | Debt<br>Service  | Spanish<br>Towne<br>Paving<br>Assessments | Spanish<br>Towne<br>Sewerage<br>Assessments | 2009 Sinking<br>Fund | 2010 Sinking<br>Fund | Total             |
|--|--|------------------|---|---|----------------------|----------------------|-------------------|
| <b>Revenues:</b>                                     |  |                  |   |   |                      |                      |                   |
| Taxes-   |  |                  |   |   |                      |                      |                   |
| Ad valorem   | \$ 1,290,214                             | \$ 815,299       | \$ -                                      | \$ -  | \$ -                 | \$ -                 | \$ 2,105,513      |
| Investment income                                    | 2,109                                    | -                | 1,901                                     | 262   | 230                  | 512                  | 5,014             |
| Miscellaneous  | -  | -                | 31,873                                    | 4,575                                       | -                    | -                    | 36,448            |
| Total revenues                                       | <u>1,292,323</u>                         | <u>815,299</u>   | <u>33,774</u>                             | <u>4,837</u>                                | <u>230</u>           | <u>512</u>           | <u>2,146,975</u>  |
| <b>Expenditures:</b>                                 |  |                  |   |   |                      |                      |                   |
| Current  |  |                  |   |   |                      |                      |                   |
| General government                                   | 2,450                                    | -                | -   | -   | 8,210                | 98,817               | 109,477           |
| Debt service -                                       |  |                  |   |   |                      |                      |                   |
| Principal  | 965,000                                  | 260,000          | 58,500                                    | 8,100                                       | 290,000              | 190,000              | 1,771,600         |
| Interest   | 343,336                                  | 16,880           | 2,559                                     | 356   | 202,733              | 150,250              | 716,114           |
| Total expenditures                                   | <u>1,310,786</u>                         | <u>276,880</u>   | <u>61,059</u>                             | <u>8,456</u>                                | <u>500,943</u>       | <u>439,067</u>       | <u>2,597,191</u>  |
| Excess (deficiency) of revenues<br>over expenditures | <u>(18,463)</u>                          | <u>538,419</u>   | <u>(27,285)</u>                           | <u>(3,619)</u>                              | <u>(500,713)</u>     | <u>(438,555)</u>     | <u>(450,216)</u>  |
| <b>Other financing sources (uses):</b>               |  |                  |   |   |                      |                      |                   |
| Bond proceeds  | -  | -                | -   | -   | -                    | 2,910,000            | 2,910,000         |
| Bond premium   | -  | -                | -   | -   | -                    | 272,058              | 272,058           |
| Payment to escrow agent                              | -  | -                | -   | -   | -                    | (3,082,035)          | (3,082,035)       |
| Transfers in   | -  | -                | 27,007                                    | 3,394                                       | 504,050              | 295,884              | 830,335           |
| Transfers out  | -  | (538,419)        | -   | -   | -                    | -                    | (538,419)         |
| Total other financing sources (uses)                 | <u>-</u>                                 | <u>(538,419)</u> | <u>27,007</u>                             | <u>3,394</u>                                | <u>504,050</u>       | <u>395,907</u>       | <u>391,939</u>    |
| Net changes in fund balances                         | (18,463)                                 | -                | (278)                                     | (225)                                       | 3,337                | (42,648)             | (58,277)          |
| Fund balances, beginning                             | <u>220,115</u>                           | <u>-</u>         | <u>278</u>                                | <u>225</u>                                  | <u>378,688</u>       | <u>260,702</u>       | <u>860,008</u>    |
| Fund balances, ending                                | <u>\$ 201,652</u>                        | <u>\$ -</u>      | <u>\$ -</u>                               | <u>\$ -</u>                                 | <u>\$ 382,025</u>    | <u>\$ 218,054</u>    | <u>\$ 801,731</u> |

CITY OF NEW IBERIA, LOUISIANA

Combining Balance Sheet  
 Nonmajor Capital Project Funds  
 October 31, 2017

|                                     | <u>Construction</u> | 2010 Bonds<br>Street<br><u>Construction</u> | <u>CDBG</u> | <u>Total</u>      |
|-------------------------------------|---------------------|---|-------------|-------------------|
| ASSETS                              |                     |   |             |                   |
| Cash and interest-bearing deposits  | <u>\$ 147,638</u>   | <u>\$ 71,711</u>                            | <u>\$ -</u> | <u>\$ 219,349</u> |
| LIABILITIES AND FUND BALANCES       |                     |   |             |                   |
| Liabilities:                        |                     |   |             |                   |
| Unearned revenue                    | 100,000             | -   | -           | 100,000           |
| Fund balances:                      |                     |   |             |                   |
| Restricted -                        |                     |   |             |                   |
| Construction of capital assets      | <u>47,638</u>       | <u>71,711</u>                               | <u>-</u>    | <u>119,349</u>    |
| Total liabilities and fund balances | <u>\$ 147,638</u>   | <u>\$ 71,711</u>                            | <u>\$ -</u> | <u>\$ 219,349</u> |

CITY OF NEW IBERIA, LOUISIANA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Capital Project Funds  
 For the Year Ended October 31, 2017

|  | Construction | 2010 Bonds<br>Street<br>Construction | CDBG     | Total      |
|--|--------------|--------------------------------------|----------|------------|
| Revenues:                                |              |                                      |          |            |
| Investment income                        | \$ -         | \$ 238                               | \$ -     | \$ 238     |
| Expenditures:                            |              |                                      |          |            |
| Current -                                |              |                                      |          |            |
| General government                       | -            | -                                    | 9,000    | 9,000      |
| Capital outlay                           | -            | 318,314                              | 5,475    | 323,789    |
| Total expenditures                       | -            | 318,314                              | 14,475   | 332,789    |
| Deficiency of revenues over expenditures | -            | (318,076)                            | (14,475) | (332,551)  |
| Other financing sources:                 |              |                                      |          |            |
| Transfers in                             | -            | -                                    | 14,475   | 14,475     |
| Net changes in fund balances             | -            | (318,076)                            | -        | (318,076)  |
| Fund balances, beginning                 | 47,638       | 389,787                              | -        | 437,425    |
| Fund balances, ending                    | \$ 47,638    | \$ 71,711                            | \$ -     | \$ 119,349 |

CITY OF NEW IBERIA, LOUISIANA

Comparative Statement of Net Position  
Sewerage Fund  
October 31, 2017 and 2016

|   | <u>2017</u>          | <u>2016</u>          |
|---|----------------------|----------------------|
| <b>ASSETS</b>   |                      |                      |
| Current assets:                                       |                      |                      |
| Cash  | \$ 3,000,088         | \$ 2,561,712         |
| Accounts receivable                                   | 316,954              | 414,647              |
| Due from other governmental units                     | 121,366              | 121,009              |
| Total current assets                                  | <u>3,438,408</u>     | <u>3,097,368</u>     |
| Noncurrent assets:                                    |                      |                      |
| Restricted cash                                       | 311,598              | 311,287              |
| Capital assets -                                      |                      |                      |
| Land and construction in progress                     | 1,520,979            | 4,081,730            |
| Other capital assets, net of accumulated depreciation | <u>44,570,783</u>    | <u>43,437,331</u>    |
| Total noncurrent assets                               | <u>46,403,360</u>    | <u>47,830,348</u>    |
| Total assets  | <u>49,841,768</u>    | <u>50,927,716</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                 |                      |                      |
| Deferred loss on refunding                            | 33,696               | 40,425               |
| Deferred outflows of resources - pension              | <u>644,905</u>       | <u>790,200</u>       |
| Total deferred outflows of resources                  | <u>678,601</u>       | <u>830,625</u>       |
| <b>LIABILITIES</b>                                    |                      |                      |
| Current liabilities:                                  |                      |                      |
| Accounts payable                                      | 91,298               | 214,400              |
| Contracts payable                                     | -                    | 5,395                |
| Retainage payable                                     | -                    | 115,562              |
| Accrued liabilities                                   | 56,886               | 47,772               |
| Accrued compensated absences                          | 14,778               | 13,698               |
| Payable from restricted assets -                      |                      |                      |
| Accrued interest                                      | 102,875              | 110,875              |
| Bonds payable   | <u>415,000</u>       | <u>400,000</u>       |
| Total current liabilities                             | <u>680,837</u>       | <u>907,702</u>       |
| Noncurrent liabilities:                               |                      |                      |
| Accrued compensated absences                          | 132,999              | 123,285              |
| Bonds payable   | 9,793,525            | 10,425,418           |
| Net pension liability                                 | <u>2,534,665</u>     | <u>2,655,903</u>     |
| Total noncurrent liabilities                          | <u>12,461,189</u>    | <u>13,204,606</u>    |
| Total liabilities                                     | <u>13,142,026</u>    | <u>14,112,308</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                  |                      |                      |
| Deferred inflows of resources - pension               | <u>167,068</u>       | <u>102,269</u>       |
| <b>NET POSITION</b>                                   |                      |                      |
| Net investment in capital assets                      | 35,916,933           | 36,613,111           |
| Restricted for debt service                           | 208,723              | 200,412              |
| Unrestricted  | <u>1,085,619</u>     | <u>730,241</u>       |
| Total net position                                    | <u>\$ 37,211,275</u> | <u>\$ 37,543,764</u> |

CITY OF NEW IBERIA, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -  
Sewerage Fund  
For the Years Ended October 31, 2017 and 2016

|   | <u>2017</u>         | <u>2016</u>         |
|---|---------------------|---------------------|
| Operating revenues:                           |                     |                     |
| Charges for services -                        |                     |                     |
| Customers                                     | \$ 4,152,168        | \$ 4,366,865        |
| Parish government under cooperative agreement | <u>879,274</u>      | <u>892,921</u>      |
| Total operating revenues                      | <u>5,031,442</u>    | <u>5,259,786</u>    |
| Operating expenses:                           |                     |                     |
| Cost of services rendered                     | 3,608,012           | 3,485,708           |
| Depreciation                                  | <u>2,048,248</u>    | <u>2,678,513</u>    |
| Total operating expenses                      | <u>5,656,260</u>    | <u>6,164,221</u>    |
| Operating loss                                | <u>(624,818)</u>    | <u>(904,435)</u>    |
| Nonoperating revenues (expenses):             |                     |                     |
| Investment income                             | 46,829              | 45,401              |
| Interest expense                              | (273,994)           | (290,153)           |
| Non-employer pension contributions            | 37,292              | 39,263              |
| Other, net                                    | <u>4,269</u>        | <u>15,210</u>       |
| Total nonoperating revenues (expenses)        | <u>(185,604)</u>    | <u>(190,279)</u>    |
| Loss before contributions and transfers       | (810,422)           | (1,094,714)         |
| Capital contributions                         | 504,563             | -                   |
| Transfers                                     | <u>(26,630)</u>     | <u>(84,160)</u>     |
| Change in net position                        | (332,489)           | (1,178,874)         |
| Net position, beginning                       | <u>37,543,764</u>   | <u>38,722,638</u>   |
| Net position, ending                          | <u>\$37,211,275</u> | <u>\$37,543,764</u> |

CITY OF NEW IBERIA, LOUISIANA  
Enterprise Fund  
Sewer Fund

Schedule of Number of Utility Customers  
(Unaudited)  
October 31, 2017 and 2016

Records maintained by the City indicated the following number of customers were being served during the months of October 31, 2017 and 2016:

| <u>Department</u> | <u>2017</u> | <u>2016</u> |
|-------------------|-------------|-------------|
| Sewerage          | 11,885      | 12,061      |

**INTERNAL CONTROL,  
COMPLIANCE, AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

183 S. Beadie Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141

11929 Bricksome Ave.  
Baton Rouge, LA 70816  
Phone (225) 293-8300

1428 Metro Dr.  
Alexandria, LA 71301  
Phone (318) 442-4421

450 E. Main St.  
New Iberia, LA 70560  
Phone (337) 367-9204

200 S. Main St.  
Abbeville, LA 70510  
Phone (337) 893-7944

1234 David Dr. Ste. 203  
Morgan City, LA 70380  
Phone (985) 384-2020

434 E. Main St.  
Ville Platte, LA 70586  
Phone (337) 363-2792

332 W. Sixth Ave.  
Oberlin, LA 70855  
Phone (337) 639-4737

WWW.KCSRPCAS.COM

## 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

\* A Professional Accounting Corporation

The Honorable Freddie DeCourt, Mayor  
and Members of the City Council  
City of New Iberia, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of New Iberia, Louisiana (the City) as of and for the year ended October 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 21, 2018.

### Internal Control Over Financial Reporting

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

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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

This report is intended 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 and compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Statements* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

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

Lafayette, Louisiana  
March 21, 2018

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Nixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.  
Lafayette, LA 70508 Baton Rouge, LA 70816  
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1234 David Dr. Ste. 203  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.  
Ville Platte, LA 70586 Oberlin, LA 70655  
Phone (337) 363-2792 Phone (337) 639-4737

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

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\* A Professional Accounting Corporation

The Honorable Freddie DeCourt, Mayor  
and Members of the City Council  
City of New Iberia, Louisiana

### Report on Compliance for Each Major Federal Program

We have audited the City of New Iberia, Louisiana's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended October 31, 2017. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

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

### *Auditor's Responsibility*

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

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

### *Opinion on the Major Program*

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended October 31, 2017.

## **Report on Internal Control over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

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

Lafayette, Louisiana  
March 21, 2018

CITY OF NEW IBERIA, LOUISIANA

Schedule of Expenditures of Federal Awards  
For the Year Ended October 31, 2017

| Federal Grantor/Pass-Through Grantor/<br>Program Title                      | CFDA<br>Number | Expenditures        | Amounts<br>Provided to<br>Subrecipients |
|---|----------------|---------------------|---|
| U.S. Department of Housing and Urban Development:                           |                |                     |   |
| Direct Programs -   |                |                     |   |
| Section 8 Housing Choice Vouchers*  | 14.871         | \$ 1,236,460        | \$ -                                    |
| Passed through Local Housing Authorities -                                  |                |                     |   |
| Section 8 Housing Choice Vouchers*  | 14.871         | <u>39,000</u>       | <u>-</u>                                |
| Total U.S. Department of Housing and Urban Development                      |                | 1,275,460           | -                                       |
| U.S. Department of Transportation:  |                |                     |   |
| Passed through Louisiana Department of Culture, Recreation and<br>Tourism - |                |                     |   |
| Recreational Trails Program   | 20.219         | 80,015              | -                                       |
| U.S. Department of Homeland Security:                                       |                |                     |   |
| Passed through Louisiana Department of Homeland Security -                  |                |                     |   |
| Disaster grant  | 97.036         | <u>12,362</u>       | <u>-</u>                                |
| TOTAL FEDERAL AWARDS  |                | <u>\$ 1,367,837</u> | <u>\$ -</u>                             |

\* Indicates major program

CITY OF NEW IBERIA, LOUISIANA  
New Iberia, Louisiana

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended October 31, 2017

(1) General

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of New Iberia (City) under programs of the federal government for the year ended October 31, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements for the year ended October 31, 2017. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

CITY OF NEW IBERIA, LOUISIANA  
New Iberia, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended October 31, 2017

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City were prepared in accordance with GAAP.
2. No material weaknesses were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses in internal control over the major federal program were disclosed during the audit.
5. The auditor's report on compliance for the major federal award program for the City expresses an unmodified opinion on the major federal program.
6. There are no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.
7. The following program is considered to be a major program: Section 8 Housing Choice Vouchers (14.871).
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The City was determined to be a low-risk auditee.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

Compliance Findings –

There were no compliance findings noted for the year ended October 31, 2017.

Internal Control Findings –

There were no internal control findings noted for the year ended October 31, 2017.

CITY OF NEW IBERIA, LOUISIANA  
New Iberia, Louisiana

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended October 31, 2017

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in 2 CFR section 200 of the Uniform Guidance:

Compliance Findings –

There were no compliance findings noted for the year ended October 31, 2017.

Internal Control Findings –

There were no internal control findings noted for the year ended October 31, 2017.

CITY OF NEW IBERIA, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
For the Year Ended October 31, 2017

| <u>Ref. No.</u>            | <u>Fiscal Year Finding Initially Occurred</u> | <u>Description of finding</u>                                      | <u>Corrective Action Taken</u> | <u>Corrective Action Planned</u> | <u>Name of Contact Person</u> | <u>Anticipated Completion Date</u> |
|----------------------------|---|--|--------------------------------|----------------------------------|-------------------------------|------------------------------------|
| CURRENT YEAR (10/31/17) -- |   |  |                                |                                  |                               |                                    |
|                            |   | There were no findings for the fiscal year ended October 31, 2017. |                                |                                  |                               |                                    |
| PRIOR YEAR (10/31/16) --   |   |  |                                |                                  |                               |                                    |
|                            |   | There were no findings for the fiscal year ended October 31, 2016. |                                |                                  |                               |                                    |

**LAFAYETTE PARISH SCHOOL BOARD**

Lafayette, Louisiana

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

Year Ended June 30, 2017

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Nixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Penny Angelle Scruggins, CPA  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA

Casey L. Ardoin, CPA  
Alan M. Taylor, CPA  
Albert R. Leger, CPA, PFS, CSA\*  
Marshall W. Guidry, CPA  
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®\*  
James R. Roy, CPA  
Robert J. Metz, CPA  
Kelly M. Doucet, CPA  
Mandy B. Self, CPA  
Paul L. Delcambre, Jr., CPA  
Jane R. Hebert, CPA  
Deidre L. Stock, CPA  
Karen V. Fontenot, CPA  
Tabby A. LeMay, CPA  
Seth C. Norris, CPA  
Shayne M. Breaux, CPA

183 South Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

450 East Main Street  
New Iberia, LA 70560  
Phone (337) 367-9204  
Fax (337) 367-9208

113 East Bridge St.  
Breaux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

1234 David Dr. Ste 203  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

1013 Main Street  
Franklin, LA 70538  
Phone (337) 828-0272  
Fax (337) 828-0290

434 East Main Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

133 East Waddil St.  
Marksville LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

332 West Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

1428 Metro Drive  
Alexandria, LA 71301  
Phone (318) 442-4421  
Fax (318) 442-9833

WEB SITE  
[WWW.KCSRPCAS.COM](http://WWW.KCSRPCAS.COM)

Retired:  
Conrad O. Chapman, CPA\* 2006

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

\* A Professional Accounting Corporation

Dr. Donald W. Aguiard, Superintendent  
And Members of the Lafayette Parish School Board  
Lafayette, Louisiana and the  
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the management of the Lafayette Parish School Board (School Board) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the School Board's compliance with certain laws, regulations and best practices during the year ended June 30, 2017. Management of the Lafayette Parish School Board is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

*Written policies and procedures were obtained and address the functions noted above.*

- 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.

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

- d) **Receipts**, including receiving, recording, and preparing deposits.  
*Written policies and procedures were obtained and address the functions noted above.*
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.  
*Written policies and procedures were obtained and address the functions noted above, except for policies on reviewing and approving time and attendance records.*
- 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.  
*Written policies and procedures were obtained and address the functions noted above.*
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.  
*Written policies and procedures were obtained and address the functions noted above.*
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.  
*Written policies and procedures were obtained and address the functions noted above.*
- 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. Note: Ethics requirements are not applicable to nonprofits.  
*Written policies and procedures were obtained and address the functions noted above.*
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
*Written policies and procedures were obtained and address the functions noted above.*

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

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- 2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.  
*Obtained and reviewed minutes of the board for the fiscal period noting that the board met at least monthly.*
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.  
*Review of budget to actual comparisons did not disclose deficit spending during the fiscal period.*

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

*Obtained and reviewed the minutes of the board for the fiscal period noting that minutes referenced or included non-budgetary financial information for at least one meeting during the fiscal period.*

### ***Bank Reconciliations***

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

*Obtained listing of client bank accounts from management and management's representation that listing is complete.*

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

- a) Bank reconciliations have been prepared on a timely basis:

*Obtained bank statements and reconciliations for all months in the fiscal period for the 27 bank accounts selected. Reconciliations for 22 of the 27 bank accounts tested had at least one month which was not reconciled on a timely basis.*

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

*For 8 of the 27 bank accounts tested, there was no evidence of management's review for at least one month.*

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

*For the 19 bank accounts which had outstanding items, management's documentation of research for items that have been outstanding for more than 6 months was not present.*

### ***Collections***

---

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

*Obtained listing of cash collection locations and management's representation that listing is complete.*

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

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

*In 21 of the 35 locations selected, the person responsible for collecting cash is bonded and is not responsible for depositing cash in the bank, recording transactions, or reconciling the bank account. In 13 of the locations, the person who collects the cash is also responsible for depositing the cash. In these cases, the accountant in charge of these specific accounts verifies that the amount deposited matches the amount on the Point of Sales system. At 1 of the locations, the person responsible for collecting the cash is also responsible for reconciling the bank statement. In this instance, the Director of Finance reviews the bank reconciliation. Of the 35 locations, selected none are required to share a drawer with other employees.*

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

*In 20 of the 35 locations selected, there is no formal process to reconcile cash collections to the general ledger, by revenue source, by a person who is not responsible for cash collections.*

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

*The highest (dollar) week of cash collections for each location was obtained along with collection documentation, deposit slips, and bank statements. 4 of the 35 locations had deposits that were made more than one day after collection. The first location had 3 deposits that were not deposited timely. These deposits were made 3, 4, and 5 days after collection. The second location had one deposit that was made 2 days after collection. The third location made a deposit 4 days after collection and the fourth location, 3 days. 14 of the locations could not determine a date of collection.*

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

*9 of the 35 locations did not have documentation to fully support the deposits.*

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

*In 20 of the 35 locations, there is not a process defined to determine the completeness of all collections by a person who is not responsible for collections.*

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

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

*Listing of disbursements and management's representation that the listing is complete was obtained.*

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

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*Examined supporting documentation for each of the 25 disbursements and found that 3 of the disbursements did not have any indication that the goods were received or the invoice was approved.*

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

*There were no exceptions noted upon review of the written documentation.*

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

*There were no exceptions noted upon review of the written documentation.*

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

*Inquiry of management indicated that unused check stock is maintained in a locked location. It was noted that persons with signatory authority do not have system access to print checks.*

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

*There were no exceptions noted upon inquiry of authorized signers.*

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

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

*Listing of active credit cards, bank debit cards, fuel cards and names of the persons who maintain possession of cards and management's representation that the listing is complete was obtained.*

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

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

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

*Monthly statements were obtained and address the functions noted above.*

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

*There were no finance charges and/or late fees assessed on any of the cards selected.*

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

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

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

*Of the 10 credit cards tested, there was 1 transaction that did not have the original receipt attached.*

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

*There were no exceptions noted.*

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

*Of the 10 credit cards tested, there was 1 card that did not have all documentation that is required by the policy.*

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

*Of the 10 credit cards selected, 7 of the credit cards had multiple transactions that did not adhere to the written policy.*

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

*All transactions were in compliance with Article 7, Section 14 of the Louisiana Constitution.*

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

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

*Listing of travel and expense reimbursements by person and management's representation that the listing is complete was obtained.*

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

*The School Board's written policy relating to travel and expense reimbursements was obtained. The per diem and mileage rates in the policy did not exceed the GSA rates.*

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*There were no exceptions noted.*

- b) Report whether each expense is supported by:

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

*There were no exceptions noted.*

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

*There were no exceptions noted.*

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

*There were no exceptions noted.*

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

*There were no exceptions noted.*

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

*There were no exceptions noted.*

### ***Contracts***

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

*Listing of all contracts in effect and management's representation that the listing is complete was obtained.*

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

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

*No exceptions were noted.*

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

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

*There were no instances of noncompliance noted.*

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

*There were no instances of noncompliance noted.*

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

*3 of the contracts were amended. The first contract was amended to demolish and repair a wall in the gym and to extend the contract time by 45 days. The dollar amount of the amendment was \$30,239.75. The second contract was amended for the removal and replacement of soils. The dollar amount of the amendment was \$39,836.18. The third contract was amended to change the air cooled HVAC system to a water cooled HVAC system and to add sidewalks that are required by the City of Lafayette. The cost of the amendment was \$3,433,701.33. All 3 of these original contract terms provided for the amendments.*

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

*There were no instances of noncompliance noted.*

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

*There were no exceptions noted.*

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

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

*Listing of employees with their related salaries and management's representation that the listing is complete was obtained.*

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

*No exceptions were noted.*

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

*There were no changes to the hourly rates during the fiscal year.*

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

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

*All selected employees had leave records but attendance records are not kept.*

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

*Leave is approved, but attendance records do not exist.*

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

*No exceptions were noted.*

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

*No exceptions were noted.*

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

*No exceptions were noted.*

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

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

*Of the 5 employees chosen, we could not determine if one of the employees completed ethics training.*

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

*Management asserted that they have received no allegations during the fiscal period.*

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

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

*Debt was issued during the year and approval was obtained from the State Bond Commission.*

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

*That School Board made all required debt services payments and maintained debt reserves required by debt covenants.*

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

*The School Board has no tax millages relating to debt service.*

***Other***

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

*Management has asserted that the School Board did not have any misappropriations of public funds or assets.*

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

*The entity does have the required notices posted on its premises and website.*

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

*No exceptions were noted.*

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Lafayette Parish Clerk of Court and the Legislative Auditor, State of Louisiana, 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 Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Lafayette, Louisiana  
December 11, 2017