

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA

REPORT ON AUDIT OF
BASIC FINANCIAL STATEMENTS

YEAR ENDED
JUNE 30, 2018

TOWN OF FARMERVILLE
FARMERVILLE LOUISIANA
ANNUAL FINANCIAL REPORT
JUNE 30, 2018

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February 7, 2019

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor Stein Baughman
and Members of the Board of Alderman and Alderwomen
Town of Farmerville, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town'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 Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding of progress of other postemployment benefits plans, the budgetary comparison information and the schedule of proportionate share of the net pension liability and schedule of contributions related to Municipal Employees' Retirement System and Municipal Police Employees' Retirement systems to be presented to supplement the basic financial statements. Such information, although not a part of

To the Honorable Mayor Stein Baughman
and Members of the Board of Alderman and Alderwomen
February 7, 2019
Page 2

the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with Management's Corrective Action Plan to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Farmerville, Louisiana's basic financial statements. The other supplemental information (pages 56-62, 66-67 and A-E) as listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The accompanying 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 other supplemental information on pages A-E and 55-61, 65-66 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 auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information on pages A-E and 55-61, 65-66, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The supplemental information on pages A-E, schedule of insurance in force and the schedule of cash accounts and investments 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 February 7, 2019, on our consideration of the Town of Farmerville'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 Town of Farmerville's internal control over financial reporting and compliance.

Garrett & Garrett, CPA



West Monroe, Louisiana
February 7, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Farmerville, Louisiana
Management's Discussion and Analysis
June 30, 2018

The management of the Town of Farmerville, Louisiana offers readers of the Town of Farmerville, Louisiana's (Town) financial statements this narrative overview an analysis of the financial activities of the Town for the fiscal year ended June 30, 2018. Management discussion and analysis is designed to provide an objective analysis of the Town's financial activities based on currently known facts, decisions, or conditions.

Overview of the Financial Statements

The Town's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

Government-Wide Financial Statements

The statement of net position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. The statement of activities shows how the government's net position changed during this fiscal year. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of the related cash flows.

Each of the reports are broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines and intergovernmental revenues for example, the police and fire departments. Business-type activities are functions that are intended to support their costs through charges for services or fees such as the water and sewer departments.

Fund Financial Statements

The Town of Farmerville, Louisiana maintains two individual governmental funds, General Government, and Special Revenue. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is considered to be a major fund. The Town adopts an annual budget for its general fund. A statement of revenues, expenditures and changes in fund balance is presented on Statement A which compares actual revenues and expenditures to the original budget and amended budget figures. The original budget was adopted on June 2017 and it was amended on June 2018.

The Town operates one proprietary fund. The Town uses an enterprise fund to account for its water and sewer disposal operations. This enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements.

The notes to the financial statements have additional information presented that is essential to a full understanding of the data provided in the government-wide financial statements. The notes are found on pages 13-42.

Government-wide Financial Analysis

Overall, the Town's financial position and results of its operation improved in fiscal 2018. The largest percentage of the total assets (80%) is the Town's investment in net capital assets. The Town has outstanding debt of \$5,403,720.35, which was used to finance some of the cost of capital assets of \$20,005,009.70 (For more detailed information on the Town's debt and capital assets, see pages 25-27) The total liabilities and deferred inflows are \$9,741,392.04.

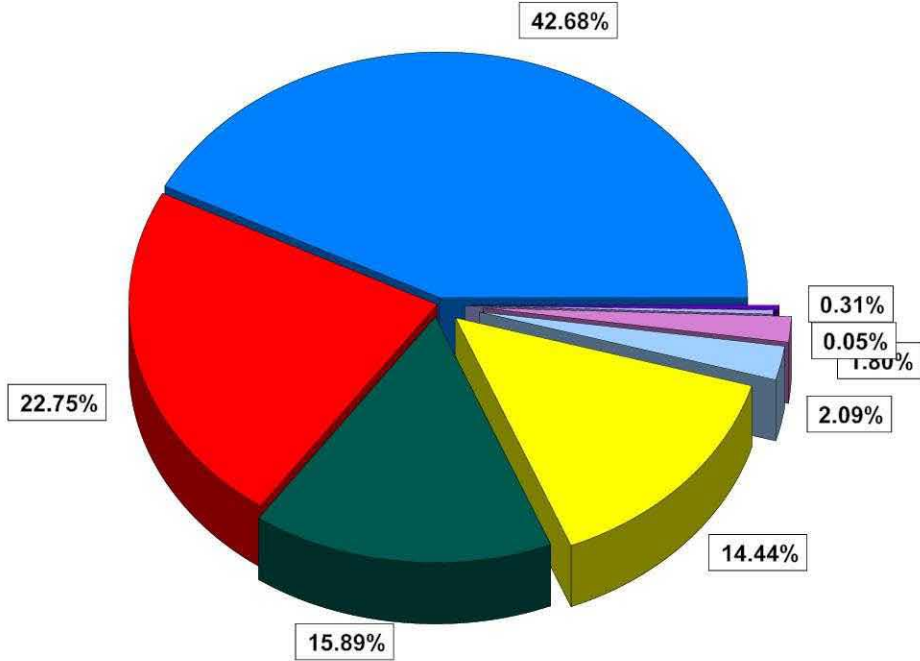
The following table reflects the condensed statement of net position at June 30, 2018.

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	2018 TOTAL	2017 TOTAL
<u>Assets</u>				
Current Assets	\$ 3,234,090.86	\$ 896,097.99	\$ 4,130,188.85	\$ 3,147,843.84
Non-Current Assets	157,793.99	563,135.29	720,929.28	2,667,313.02
Capital Assets	8,480,742.60	11,524,267.10	20,005,009.70	19,328,784.40
Total Assets	<u>\$ 11,872,627.45</u>	<u>\$ 12,983,500.38</u>	<u>\$ 24,856,127.83</u>	<u>\$ 25,143,941.26</u>
<u>Deferred Outflows of Resources</u>	<u>\$ 734,626.00</u>	<u>\$ 402,754.00</u>	<u>\$ 1,137,380.00</u>	<u>\$ 960,327.00</u>
<u>Liabilities</u>				
Current Liabilities	\$ 569,843.18	\$ 413,847.85	\$ 983,691.03	\$ 1,496,135.59
Non-current Liabilities	5,076,691.55	3,587,831.46	8,664,523.01	9,103,837.05
Total Liabilities	<u>\$ 5,646,534.73</u>	<u>\$ 4,001,679.31</u>	<u>\$ 9,648,214.04</u>	<u>\$ 10,599,972.64</u>
<u>Deferred Inflows of Resources</u>	<u>\$ 66,357.00</u>	<u>\$ 26,821.00</u>	<u>\$ 93,178.00</u>	<u>\$ 552,998.00</u>
<u>Net Position</u>				
Net Investment in Capital Assets	\$ 5,559,078.88	\$ 9,025,508.00	\$ 14,584,586.88	\$ 14,071,228.18
Restricted	157,793.99	356,338.39	514,132.38	1,011,715.62
Unrestricted	1,177,488.85	(24,092.32)	1,153,396.53	(131,646.18)
Total Net Position	<u>\$ 6,894,361.72</u>	<u>\$ 9,357,754.07</u>	<u>\$ 16,252,115.79</u>	<u>\$ 14,951,297.62</u>

The Town's governmental activities increased the net position by \$1,482,952.73. The total change in business-type activities decreased the Town's net position by \$182,134.56. Below is a summary of the Statement of Activities.

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	2018 TOTAL	2017 TOTAL
<u>Revenues</u>				
Program Revenues	\$ 580,918.70	\$ 2,014,260.31	\$ 2,595,179.01	\$ 2,568,549.73
General Revenues	4,135,815.95	(18,742.32)	4,117,073.63	3,533,073.88
Grants and Contributions	661,273.89	183,090.19	844,364.08	697,214.07
Total Revenues	<u>\$ 5,378,008.54</u>	<u>\$ 2,178,608.18</u>	<u>\$ 7,556,616.72</u>	<u>\$ 6,798,837.68</u>
<u>Expenses</u>				
General and Administrative	\$ 788,884.70	\$.00	\$ 788,884.70	\$ 1,153,355.68
Public Safety	1,454,930.40	.00	1,454,930.40	1,435,088.67
Public Services	1,176,860.05	.00	1,176,860.05	1,138,393.38
Culture and Recreation	311,911.41	.00	311,911.41	371,516.57
Prison Labor and Expenditures	1,450.10	.00	1,450.10	1,415.26
Capital Projects	.00	.00	.00	301,130.82
Water & Sewer	.00	2,360,742.74	2,360,742.74	2,249,716.28
Interest on Long-Term Debt	161,019.15	.00	161,019.15	106,311.81
Total Expenses	<u>\$ 3,895,055.81</u>	<u>\$ 2,360,742.74</u>	<u>\$ 6,255,798.55</u>	<u>\$ 6,756,928.47</u>
Increase(Decreases) in Net Position	\$ 1,482,952.73	\$ (182,134.56)	\$ 1,300,818.17	\$ 41,909.21
<u>Net Position – July 1, 2017</u>	<u>\$ 5,411,408.99</u>	<u>\$ 9,539,888.63</u>	<u>\$ 14,951,297.62</u>	<u>\$ 14,909,388.41</u>
<u>Net Position – June 30, 2018</u>	<u>\$ 6,894,361.72</u>	<u>\$ 9,357,754.07</u>	<u>\$ 16,252,115.79</u>	<u>\$ 14,951,297.62</u>

PROGRAM REVENUES

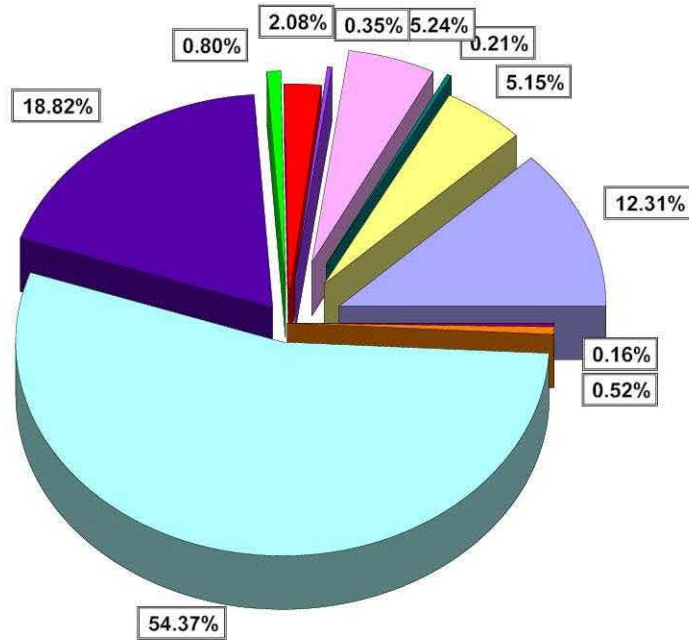


- General Government
- Public Safety
- Public Services
- Culture & Recreation
- Water
- Sewer
- Operating Grants
- Capital Grants

Program Revenues are Broken Down By:

General Government	\$ 1,712.00
Public Safety	71,964.47
Public Services	496,529.23
Culture and Recreation	10,713.00
Water	1,467,879.83
Sewer	546,380.48
Operating Grants	62,000.00
Capital Grants	782,364.08
Total Program Revenues	<u>\$ 3,439,543.09</u>

GENERAL REVENUES



- | | |
|---|--|
| ■ Property Taxes | ■ Franchise Taxes |
| ■ Alcoholic Beverage Tax | ■ Occupational Licenses |
| ■ Other Licenses & Taxes | ■ Video Bingo |
| ■ Investment Earnings | ■ Miscellaneous |
| ■ Sales Taxes | ■ 2% Insurance |
| ■ Beer Tax | |

General Revenues Consist of the Following:

Property Taxes	\$ 718,341.04
Sales Taxes	2,027,130.82
Franchise Taxes	212,031.34
Alcoholic Beverage Tax	8,645.00
Occupational Licenses	215,715.11
Other Licenses & Taxes	14,226.00
Video Bingo	85,593.86
2% Insurance	21,230.68
Beer Tax	6,537.78
Investment Earnings	32,760.15
Miscellaneous	774,861.85
Total General Revenues	<u>\$ 4,117,073.63</u>

Financial Analysis of the Government's Funds

The Town of Farmerville's governmental funds reported a combined ending fund balances of \$3,199,966.37, which is a decrease of \$367,918.85, of which \$157,793.99 is reserved for debt service and capital projects.

The Town's proprietary fund shows a negative ending unrestricted net position of (\$24,092.32). The change in net position decreased by (\$182,134.56).

General Fund Budgetary Highlights

The major differences between the original budget and the final budget of the General Fund are:

1. An increase in street repairs and maintenance by \$36,000.00.
2. An increase of \$50,000.00 in building and maintenance repairs in Sales Tax Department.
3. An increase of \$25,000.00 in truck and equipment repairs for Sanitation Department.
4. An increase of \$25,000.00 in utility cost in Water Department.

The final budget and the actual results difference shows a positive position. The difference in budget revenue is .5%.

Capital Assets and Debt Administration

The total investment in net capital assets as of June 30, 2018 is \$14,584,586.88.

New Major Capital Asset Purchases in fiscal 2019:

1. General Fund purchased a used vehicle for the Mayor for \$24,179.00 and a new laptop for computer town meeting recording system.
2. Police Department purchased a new Patrol Unit for the Police Department for \$24,179.00.

At the end of the current fiscal year, the Town had a total outstanding bonded debt and capital leases of \$ 5,351,659.30.

Current Financial Factors

In the first 6 months of fiscal 2019; sales tax collections are 2.3% over amount collected in the time last year.

The budget for FY 2019 is \$6,460,560.00 in gross revenue with expenses of \$6,298,542.50. There is \$350,000 budgeted for a new police vehicle in the Police Department and an increase in the Water Department of \$185,350.00 for ozone expenses.

The water revenue is down 2.8% and sewer revenues are down 6% and the sanitation revenues are up 7.5% in the first six months of FY2019 Budget year compared to the same period in FY2018.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Gay Nell Pepper, Town Clerk, P. O. Box 427, Farmerville, Louisiana 71241.

BASIC FINANCIAL STATEMENTS

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2018

EXHIBIT A

<u>ASSETS</u>	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash and Cash Equivalents	\$ 2,684,830.25	\$ 697,455.96	\$ 3,382,286.21
Receivables Net	212,055.89	233,025.75	445,081.64
Receivables - Others	95,620.58	.00	95,620.58
Prepaid Expenses	112,313.00	35,644.00	147,957.00
Due from Other Funds	129,271.14	(129,271.14)	.00
Due from Other Governments		59,243.42	59,243.42
Restricted Cash and Cash Equivalents	157,793.99	563,135.29	720,929.28
Capital Assets, Net			
Construction in Process	\$.00	\$ 273,919.68	\$ 273,919.68
Land	349,335.91	25,752.00	375,087.91
Buildings	2,276,414.03	.00	2,276,414.03
Improvements Other than Buildings	1,217,053.07	90,505.85	1,307,558.92
Infrastructure	5,476,871.08	18,026,652.24	23,503,523.32
Furniture & Equipment	5,399,487.01	961,838.50	6,361,325.51
Less: Accumulated Depreciation	(6,238,418.50)	(7,854,401.17)	(14,092,819.67)
Capital Assets, Net of Depreciation	<u>\$ 8,480,742.60</u>	<u>\$ 11,524,267.10</u>	<u>\$ 20,005,009.70</u>
Total Assets	<u>\$ 11,872,627.45</u>	<u>\$ 12,983,500.38</u>	<u>\$ 24,856,127.83</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Total Deferred Outflows of Resources	<u>\$ 734,626.00</u>	<u>\$ 402,754.00</u>	<u>\$ 1,137,380.00</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 106,834.38	\$ 70,695.43	\$ 177,529.81
Estimates & Retainage Payable	.00	79,458.78	79,458.78
Accrued Liabilities	68,381.63	23,725.00	92,106.63
Restricted Liabilities			
Accounts Payable from Restricted Assets	16,702.47	.00	16,702.47
Accrued Interest Payable	50,297.93	1,763.12	52,061.05
Customer Deposits	.00	170,100.00	170,100.00
Current Portion of Long-Term Debt	327,626.77	68,105.52	395,732.29
Non-Current Portion of Long-Term Obligations	2,527,036.55	2,428,890.46	4,955,927.01
Post Retirement Benefits	671,926.00	278,299.00	950,225.00
Net Pension Liability	1,877,729.00	880,642.00	2,758,371.00
Total Liabilities	<u>\$ 5,646,534.73</u>	<u>\$ 4,001,679.31</u>	<u>\$ 9,648,214.04</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Total Deferred Inflows of Resources	<u>\$ 66,357.00</u>	<u>\$ 26,821.00</u>	<u>\$ 93,178.00</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 5,559,078.88	\$ 9,025,508.00	\$ 14,584,586.88
Restricted for			
Debt Service	157,793.99	356,338.39	514,132.38
Unrestricted	<u>1,177,488.85</u>	<u>(24,092.32)</u>	<u>1,153,396.53</u>
Total Net Position	<u>\$ 6,894,361.72</u>	<u>\$ 9,357,754.07</u>	<u>\$ 16,252,115.79</u>

The notes are an integral part of these statements. See accompanying independent auditors' report.

TOWN OF FARMERVILLE
 FARMERVILLE, LOUISIANA
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT B

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	EXPENSES	PROGRAM REVENUES		NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION PRIMARY GOVERNMENT		TOTAL
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
<u>Governmental Activities</u>						
General Government						
General Fund	\$ (563,406.74)	\$ 1,712.00	\$.00	\$.00	\$ (561,694.74)	\$ (561,694.74)
Sales Tax	(225,477.96)	.00	.00	.00	(225,477.96)	(225,477.96)
Public Safety						
Police	(979,058.77)	71,964.47	54,000.00	.00	(853,094.30)	(853,094.30)
Fire	(475,871.63)	.00	8,000.00	.00	(467,871.63)	(467,871.63)
Public Services						
Garbage	(508,190.68)	483,469.23	.00	.00	(24,721.45)	(24,721.45)
Streets	(668,669.37)	13,060.00	.00	599,273.89	(56,335.48)	(56,335.48)
Culture and Recreation	(311,911.41)	10,713.00	.00	.00	(301,198.41)	(301,198.41)
Prison Labor & Expenditures	(1,450.10)	.00	.00	.00	(1,450.10)	(1,450.10)
Interest on Long-Term Debt	(161,019.15)	.00	.00	.00	(161,019.15)	(161,019.15)
Total Governmental Activities	<u>\$ (3,895,055.81)</u>	<u>\$ 580,918.70</u>	<u>\$ 62,000.00</u>	<u>\$ 599,273.89</u>	<u>\$ (2,652,863.22)</u>	<u>\$ (2,652,863.22)</u>
<u>Business-Type Activities</u>						
Water Department	\$ (1,762,919.07)	\$ 1,467,879.83	\$.00	\$.00	\$.00	\$ (295,039.24)
Sewer Department	(597,823.67)	546,380.48	.00	183,090.19	.00	131,647.00
Total Business-Type Activities	<u>\$ (2,360,742.74)</u>	<u>\$ 2,014,260.31</u>	<u>\$.00</u>	<u>\$ 183,090.19</u>	<u>\$ (163,392.24)</u>	<u>\$ (163,392.24)</u>
Total Primary Government	<u>\$ (6,255,798.55)</u>	<u>\$ 2,595,179.01</u>	<u>\$ 62,000.00</u>	<u>\$ 782,364.08</u>	<u>\$ (2,652,863.22)</u>	<u>\$ (163,392.24)</u>
			<u>General Revenues</u>			
			Taxes:			
			Property Taxes Levied for			
			General Purposes			
			General Government	\$ 235,130.01	\$.00	\$ 235,130.01
			Fire Department	483,211.03	.00	483,211.03
			Sales Taxes			
			Special Revenue Funds	1,520,336.47	.00	1,520,336.47
			Public Safety	506,794.35	.00	506,794.35
			Franchise Taxes	212,031.34	.00	212,031.34
			Alcoholic Beverage Tax	8,645.00	.00	8,645.00
			Occupational Licenses	215,715.11	.00	215,715.11
			Other Licenses and Taxes	14,226.00	.00	14,226.00
			Video Bingo	85,593.86	.00	85,593.86
			2% Insurance	21,230.68	.00	21,230.68
			Beer Tax	6,537.78	.00	6,537.78
			Investment Earnings	22,202.47	10,557.68	32,760.15
			Intergovernment Revenue	29,300.00	(29,300.00)	.00
			Miscellaneous	81,738.85	.00	81,738.85
			GASB 68	693,123.00	.00	693,123.00
			Total General Revenues	<u>\$ 4,135,815.95</u>	<u>\$ (18,742.32)</u>	<u>\$ 4,117,073.63</u>
			Change in Net Position	\$ 1,482,952.73	\$ (182,134.56)	\$ 1,300,818.17
			Net Position - Beginning	<u>5,411,408.99</u>	<u>9,539,888.63</u>	<u>14,951,297.62</u>
			<u>Net Position - Ending</u>	<u>\$ 6,894,361.72</u>	<u>\$ 9,357,754.07</u>	<u>\$ 16,252,115.79</u>

The notes are an integral part of these statements. See accompanying independent auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
BALANCE SHEETS
GOVERNMENTAL FUNDS
JUNE 30, 2018

EXHIBIT C

<u>ASSETS</u>	<u>MAJOR FUNDS</u>		<u>NON-MAJOR</u>	<u>TOTAL</u>
	<u>GENERAL FUND</u>	<u>SALES TAX</u>	<u>FUNDS</u>	<u>GOVERNMENT</u>
				<u>FUNDS</u>
Cash and Cash Equivalents	\$ 1,795,152.60	\$ 410,388.64	\$ 479,289.01	\$ 2,684,830.25
Property Taxes Receivable, Net	24,162.34	.00	.00	24,162.34
Franchise Taxes Receivables				
Sales Tax Receivable	46,973.39	93,946.77	46,973.39	187,893.55
Accounts Receivables - Other	31,770.83	63,849.75	.00	95,620.58
Prepaid Items	80,814.00	21,806.00	9,693.00	112,313.00
Due from Other Funds	101,739.07	27,532.07	.00	129,271.14
Restricted Assets				
Bonds Sinking Fund				
Cash and Cash Equivalents	.00	46,734.43	111,059.56	157,793.99
<u>TOTAL ASSETS</u>	<u>\$ 2,080,612.23</u>	<u>\$ 664,257.66</u>	<u>\$ 647,014.96</u>	<u>\$ 3,391,884.85</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
	<u>LIABILITIES</u>			
Accounts Payable	\$ 25,579.43	\$ 76,662.09	\$ 3,084.82	\$ 105,326.34
Accrued Liabilities	51,719.00	13,549.63	3,113.00	68,381.63
Other Liabilities	1,508.44	.00	.00	1,508.44
Accounts Payable Paid from Restricted Assets	.00	16,702.47	.00	16,702.47
Total Liabilities	<u>\$ 78,806.47</u>	<u>\$ 106,914.19</u>	<u>\$ 6197.82</u>	<u>\$ 191,918.48</u>
	<u>FUND BALANCE</u>			
Nonspendable	\$ 80,814.00	\$ 21,806.00	\$ 9,693.00	\$ 112,313.00
Restricted	.00	46,734.43	111,059.56	157,793.99
Assigned	15,000.00	150,000.00	.00	165,000.00
Unassigned	1,905,991.76	338,803.04	520,064.58	2,764,859.38
Total Fund Balance	<u>\$ 2,001,805.76</u>	<u>\$ 557,343.47</u>	<u>\$ 640,817.14</u>	<u>\$ 3,199,966.37</u>
<u>TOTAL LIABILITIES, AND FUND BALANCE</u>	<u>\$ 2,080,612.23</u>	<u>\$ 664,257.66</u>	<u>\$ 647,014.96</u>	<u>\$ 3,391,884.85</u>

The notes are an integral part of the financial statements. See accompanying independent auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT C -1

FUND BALANCES - Total Governmental Funds \$ 3,199,966.37

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital Assets used in Governmental Activities are not Financial Resources and therefore are not reported in the Governmental Funds.

Governmental Capital Assets	\$ 14,719,161.10
Less: Accumulated Depreciation	<u>(6,238,418.50)</u>
Net	<u>\$ 8,480,742.60</u>

Long-term Liabilities, including Bonds Payable, are not due and payable in the current period and therefore are not reported in the Governmental Funds.

Accrued Interest Payable	\$ (50,297.93)
Bancorpsouth Lease	(98,831.91)
2012 Bonds Payable	(1,725,000.00)
USDA Loan	(160,831.41)
Revenue Bonds	(355,000.00)
2016 Bonds Payable	(515,000.00)
Net OPEB Obligation	(3,657.00)
Net Pension Liability	<u>(1,877,729.00)</u>
Net	<u>\$ (4,786,347.25)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT A) \$ 6,894,361.72

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

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT D

<u>REVENUES</u>	<u>MAJOR FUNDS</u>		<u>NON-MAJOR</u>	<u>TOTAL</u>
	<u>GENERAL FUND</u>	<u>SALES TAX</u>	<u>FUNDS</u>	<u>GOVERNMENT</u>
				<u>FUNDS</u>
Taxes				
Property	\$ 506,918.83	\$.00	\$.00	\$ 506,918.83
Sales	718,216.56	1,013,542.28	506,794.19	2,238,553.03
Franchise	212,031.34	.00	.00	212,031.34
Licenses and Permits	324,179.97	.00	.00	324,179.97
Intergovernment	27,768.46	13,060.00	.00	40,828.46
Charges for Services	499,732.95	.00	10,713.00	510,445.95
Fines and Forfeits	55,900.75	.00	.00	55,900.75
Miscellaneous Revenues	75,839.99	1,668.86	4,230.00	81,738.85
Interest Income	11,365.20	7,157.63	3,679.64	22,202.47
Fees - Farmer's Market	1,512.00	.00	.00	1,512.00
State of Louisiana Supplemental Pay	62,000.00	.00	.00	62,000.00
Grants	.00	599,273.89	.00	599,273.89
Total Revenues	\$ 2,495,466.05	\$ 1,634,702.66	\$ 525,416.83	\$ 4,655,585.54
 <u>EXPENDITURES</u>				
Current				
General and Administrative	\$ 513,147.32	\$ 1,472,022.95	\$ 275,441.75	\$ 2,260,612.02
Public Safety	928,380.90	.00	.00	928,380.90
Fire Department	546,419.71	.00	.00	551,419.71
Sanitation Department	545,651.66	.00	.00	545,651.66
Streets	.00	552,390.00	.00	552,390.00
Prison Labor and Expenditures	.00	1,450.10	.00	1,450.10
Maintenance Department				
Asset Purchases	.00	.00	218,600.00	218,600.00
Total Expenditures	\$ 2,533,599.59	\$ 2,025,863.05	\$ 494,041.75	\$ 5,053,504.39
 <u>EXCESS (DEFICIENCY) OF REVENUE</u>				
<u>OVER (UNDER) EXPENDITURES</u>	\$ (38,133.54)	\$ (391,160.39)	\$ 31,375.08	\$ (397,918.85)
 <u>OTHER FINANCING SOURCES (USES)</u>				
Interdepartment Transfers				
Operating Transfers In	\$ 128,216.81	\$.00	\$ 23,130.62	\$ 151,347.43
Operating Transfers Out	(28,130.62)	(30,000.00)	(63,216.81)	(121,347.43)
Total Other Financing Sources (Uses)	\$ 100,086.19	\$ (30,000.00)	\$ (40,086.19)	\$ 30,000.00
Net Change in Fund Balances	\$ 61,952.65	\$ (421,160.39)	\$ (8,711.11)	\$ (367,918.85)
FUND BALANCE, Beginning	1,939,853.11	891,040.92	736,991.19	3,567,885.22
Construction Fund Balance	.00	87,462.94	(87,462.94)	.00
<u>FUND BALANCE, Ending</u>	\$ 2,001,805.76	\$ 557,343.47	\$ 640,817.14	\$ 3,199,966.37

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

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT D-1

	MAJOR FUNDS		TOTAL	NON-MAJOR	TOTAL
<u>NET CHANGE IN FUND BALANCE -</u>	GENERAL	SALES TAX	MAJOR	NON-MAJOR	GOVERNMENT
Total Governmental Funds (EXHIBIT D)	FUND	FUND	FUND	FUND	FUNDS
	\$ 61,952.65	\$ (421,160.39)	\$ (359,207.74)	\$ (8,711.11)	\$ (367,918.85)

Amounts reported for governmental activities in the statement of activities are 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 - Net	\$ 269,877.33	\$ 1,176,419.17	\$ 1,446,296.50	\$.00	\$ 1,446,296.50
Depreciation Expense	(285,138.36)	(156,165.55)	(441,303.93)	(53,261.64)	(494,565.55)
	\$ (15,261.03)	\$ 1,020,253.62	\$ 1,004,992.59	\$ (53,261.64)	\$ 951,730.95

Because governmental funds do not record fixed assets and accumulated depreciation, assets disposed of with no selling price do not affect the statements of revenues expenditures, and changes in fund balances. Fixed assets transfers from one department to another in governmental funds are also not recorded. However, in the statement of activities, a gain or loss is shown on assets that are not fully depreciated as well as transfers.

Net Fixed Asset Transfers	\$ (32,620.00)	\$ 31,920.00	\$ (700.00)	\$.00	\$ (700.00)
Disposals of Fixed Assets	(590.62)	.00	(590.62)	(2,000.00)	(2,590.62)
	\$ (33,210.62)	\$ 31,920.00	\$ (1,290.62)	\$ (2,000.00)	\$ (3,290.62)

The issuance of long-term debt provides current financial resources to governmental funds, while, the repayment of the principal of a long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of these differences in the treatment of long-term debt and related items is as follows:

2016 Bond Payments	\$.00	\$ 29,000.00	\$ 29,000.00	\$.00	\$ 29,000.00
USDA Loan Payments	.00	17,100.62	17,100.62	.00	17,100.62
2012 Bond Payments	.00	.00	.00	155,000.00	155,000.00
Revenue Bond Payments	.00	20,000.00	20,000.00	.00	20,000.00
Bancorp South - Lease Payments	42,068.56	.00	42,068.56	.00	42,068.56
	\$ 42,068.56	\$ 66,100.62	\$ 108,169.18	\$ 155,000.00	\$ 263,169.18

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.

Increase/Decrease in Accrued Expenses	\$.00	\$ (527.10)	\$ (527.10)	\$ (49,770.83)	\$ (50,297.93)
Net Other Post Employment Benefits Obligations	(3,563.00)	.00	(3,563.00)	.00	(3,563.00)
Net Pension Liability - Current Year	22,279.00	.00	22,279.00	.00	22,279.00
Deferred Inflows/Outflows	670,844.00	.00	670,844.00	.00	670,844.00
	\$ 689,560.00	\$ (527.10)	\$ 689,032.90	\$ (49,770.83)	\$ 639,262.07

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)

	\$ 745,109.56	\$ 696,586.75	\$ 1,441,696.31	\$ 41,256.42	\$ 1,482,952.73
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The notes are an integral part of these statements. See accompanying independent auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

EXHIBIT E

<u>ASSETS</u>	<u>BUSINESS- TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>MAJOR FUNDS</u>		
	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 649,429.77	\$ 48,026.19	\$ 697,455.96
Accounts Receivable, Net	233,025.75	.00	233,025.75
Prepaid Insurance	28,614.00	7,030.00	35,644.00
Accounts Receivable - LCDBG	.00	59,115.42	59,115.42
Accounts Receivable-Other	128.00	.00	128.00
Total Current Assets	<u>\$ 911,197.52</u>	<u>\$ 114,171.61</u>	<u>\$ 1,025,369.13</u>
<u>Non-Current Assets from Restricted Assets</u>			
Cash and Cash Equivalents			
Water Fund - Meter Deposits	\$ 206,671.61	\$.00	\$ 206,671.61
Depreciation and Contingency Fund	104,988.85	98,509.66	203,498.51
Construction Checking	125.29	52.95	178.24
USDA Accounts	152,786.93	.00	152,786.93
Total Restricted Assets	<u>\$ 464,572.68</u>	<u>\$ 98,562.61</u>	<u>\$ 563,135.29</u>
<u>Capital Assets</u>			
Property, Plant and Equipment, at Cost	\$ 11,043,028.94	\$ 8,035,967.65	\$ 19,078,996.59
Construction in Progress	.00	273,919.68	273,919.68
Less: Accumulated Depreciation	(4,033,376.63)	(3,821,024.54)	(7,854,401.17)
Land	25,752.00	.00	25,752.00
Total Capital Assets	<u>\$ 7,035,404.31</u>	<u>\$ 4,488,862.79</u>	<u>\$ 11,524,267.10</u>
<u>TOTAL ASSETS</u>	<u>\$ 8,411,174.51</u>	<u>\$ 4,701,597.01</u>	<u>\$ 13,112,771.52</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Resources related to Pensions	\$ 315,480.00	\$ 87,274.00	\$ 402,754.00
<u>LIABILITIES</u>			
<u>Current Liabilities (Payable from Current Assets)</u>			
Accounts Payable	\$ 43,611.89	\$ 27,083.54	\$ 70,695.43
Estimated and Retainage Payable	.00	79,458.78	79,458.78
Accrued Liabilities	19,749.00	3,976.00	23,725.00
Total Current Liabilities (Payable from Current Assets)	<u>\$ 63,360.89</u>	<u>\$ 110,518.32</u>	<u>\$ 173,879.21</u>
<u>Current Liabilities (Payable from Restricted Assets)</u>			
Customers' Deposits	\$ 170,100.00	\$.00	\$ 170,100.00
Bonds Payable	48,105.52	20,000.00	68,105.52
Accrued Interest Payable	566.87	1,196.25	1,763.12
Total Current Liabilities (Payable from Restricted Assets)	<u>\$ 218,772.39</u>	<u>\$ 21,196.25</u>	<u>\$ 239,968.64</u>
<u>Long-Term Liabilities</u>			
Due to/From Sewer Funds	\$ 100,048.87	\$ (100,048.87)	\$.00
Due to/From Other Funds	129,271.14	.00	129,271.14
Bonds Payable	2,158,890.46	270,000.00	2,428,890.46
Post Retirement Benefits	183,388.00	94,911.00	278,299.00
Net Pension Liability	689,813.00	190,829.00	880,642.00
Total Long-Term Liabilities	<u>\$ 3,261,411.47</u>	<u>\$ 455,691.13</u>	<u>\$ 3,717,102.60</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 3,543,544.75</u>	<u>\$ 587,405.70</u>	<u>\$ 4,130,950.45</u>

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

EXHIBIT E
CONTINUED

<u>DEFERRED INFLOWS OF RESOURCES</u>	<u>BUSINESS -TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>MAJOR FUNDS</u>		
	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
Resources related to Pensions	\$ 21,009.00	\$ 5,812.00	\$ 26,821.00
<u>NET POSITION</u>			
Invested in Capital Assets Net OF Related Debt	\$ 4,827,841.46	\$ 4,197,666.54	\$ 9,025,508.00
Restricted for Debt Service	257,775.78	98,562.61	356,338.39
Unrestricted	<u>76,483.52</u>	<u>(100,575.84)</u>	<u>(24,092.32)</u>
Total Net Position	<u>\$ 5,162,100.76</u>	<u>\$ 4,195,653.31</u>	<u>\$ 9,357,754.07</u>

The notes are an integral part of these statements. See accompanying independent auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT F

	<u>BUSINESS -TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>MAJOR FUNDS</u>		
	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
<u>Operating Revenues</u>			
Charges for Services	\$ 1,457,221.33	\$ 546,380.48	\$ 2,003,601.81
Miscellaneous	10,658.50	.00	10,658.50
Total Operating Revenues	<u>\$ 1,467,879.83</u>	<u>\$ 546,380.48</u>	<u>\$ 2,014,260.31</u>
<u>Operating Expenses</u>			
<u>Administrative Expenses</u>			
Salaries and Employee Benefits	\$ 566,230.37	\$ 135,538.17	\$ 701,768.54
Advertising	1,116.73	.00	1,116.73
Auditing	12,000.00	2,000.00	14,000.00
Bank Charges	741.22	.00	741.22
Computer Expense	26,449.27	.00	26,449.27
Dues	570.00	.00	570.00
Insurance - Liability	35,050.79	7,106.97	42,157.76
Miscellaneous	9,550.13	2,483.12	12,033.25
Office Supplies	4,183.41	.00	4,183.41
Postage	6,698.91	.00	6,698.91
Environmental Testing	599.88	.00	599.88
Equipment and Truck Expense	58,331.47	18,536.68	76,868.15
Telephone Expense	8,213.20	1,772.49	9,985.69
Travel and Training	6,045.09	239.83	6,284.92
Water Bill Cost	16,571.48	.00	16,571.48
Total Administration	<u>\$ 754,351.95</u>	<u>\$ 167,677.26</u>	<u>\$ 922,029.21</u>
<u>Materials and Supplies</u>			
Chlorine	\$ 24,810.08	\$ 3,503.28	\$ 28,313.36
Chemicals Test	1,568.75	9,514.00	11,082.75
Grant Expenses	.00	21,500.00	21,500.00
Supplies	64,172.48	16,082.96	80,255.44
Pump Repairs	.00	81,955.07	81,955.07
Equipment Maintenance	2,825.43	.00	2,825.43
Safe Drinking Program	15,351.65	.00	15,351.65
Major Repairs and Additions	41,780.46	27,181.00	68,961.46
Poultry Pride Water Well Repairs	69,855.21	.00	69,855.21
Meter Replacement	21,373.78	.00	21,373.78
Treatment Plant Repairs	.00	24,697.87	24,697.87
Water Supply Initiative Program	24,288.75	.00	24,288.75
Utilities	299,023.10	60,600.02	359,623.12
Total Materials and Supplies	<u>\$ 565,049.69</u>	<u>\$ 245,034.20</u>	<u>\$ 810,083.89</u>
<u>Depreciation and Amortization</u>	<u>\$ 402,926.91</u>	<u>\$ 169,848.96</u>	<u>\$ 572,775.87</u>
Total Operating Expenses	<u>\$ 1,722,328.55</u>	<u>\$ 582,560.42</u>	<u>\$ 2,304,888.97</u>
Net Operating Income (Loss)	<u>\$ (254,448.72)</u>	<u>\$ (36,179.94)</u>	<u>\$ (290,628.66)</u>

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT F
CONTINUED

<u>Non-Operating Revenues (Expenses)</u>	<u>BUSINESS -TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>MAJOR FUNDS</u>		
	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
Interest Income	\$ 9,305.05	\$ 1,252.63	\$ 10,557.68
Interest Expense	(40,590.52)	(15,263.25)	(55,853.77)
Grants / LCDBG	.00	183,090.19	183,090.19
Total Non-Operating Revenues (Expenses)	<u>\$ (31,285.47)</u>	<u>\$ 169,079.57</u>	<u>\$ 137,794.10</u>
Net Income (Loss) Before Contributions & Transfers	<u>\$ (285,734.19)</u>	<u>\$ 132,899.63</u>	<u>\$ (152,834.56)</u>
<u>Transfers & Others</u>			
Total Transfers & Others	<u>\$ (29,300.00)</u>	<u>\$.00</u>	<u>\$ (29,300.00)</u>
<u>Changes in Net Position</u>	<u>\$ (315,034.19)</u>	<u>\$ 132,899.63</u>	<u>\$ (182,134.56)</u>
<u>Net Position - Beginning of the Year</u>	<u>5,477,134.95</u>	<u>4,062,753.68</u>	<u>9,539,888.63</u>
<u>Net Position - End of the Year</u>	<u>\$ 5,162,100.76</u>	<u>\$ 4,195,653.31</u>	<u>\$ 9,357,754.07</u>

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

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT G

	<u>BUSINESS -TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	MAJOR FUNDS		
	WATER	SEWER	TOTAL
<u>Cash Flows from Operating Activities</u>			
Receipts from Customers	\$ 1,472,130.60	\$ 546,380.48	\$ 2,018,511.08
Payments to Suppliers	(792,366.04)	(288,593.41)	(1,110,959.45)
Payments to Employers and Employee Benefits	(567,720.37)	(137,020.17)	(704,740.54)
Other Receipts (Payments)	10,661.50	.00	10,661.50
Net Cash Provided by Operating Activities	\$ 122,705.69	\$ 120,766.90	\$ 213,472.59
<u>Cash Flows from Noncapital Financing Activities</u>			
Customer Deposit	\$ 315.00	\$.00	\$ 315.00
Due To/From Other Funds	(21,906.72)	.00	(21,906.72)
Due To/From Sewer/Water Dept.	36,338.55	(36,338.55)	.00
Net Cash Provided by Noncapital Financing Activities	\$ 14,746.83	\$ (36,338.55)	\$ 8,408.28
<u>Cash Flows from Capital and Related Financing Activities</u>			
Purchase of Capital Assets	\$ (31,016.87)	\$ (194,460.90)	\$ (225,477.77)
Post Retirement Benefits	1,661.00	859.00	2,520.00
GASB 68 - Net	61,847.00	(8,268.00)	53,579.00
Construction Payables	(214,722.66)	.00	(214,722.66)
Interest Expense	(40,023.65)	(15,345.00)	(55,368.65)
Disposal of Assets	5,075.71	.00	5,075.71
Payment on Long-Term Debt	(49,052.35)	(20,000.00)	(69,052.35)
LCDBG - Grant	.00	124,524.77	124,524.77
Net Cash (Used) by Capital and Related Financing Activities	\$ (266,231.82)	\$ (112,690.13)	\$ (378,921.95)
<u>Cash Flows from Investing Activities</u>			
Interest Earned on Investments	\$ 9,305.05	\$ 1,252.63	\$ 10,557.68
Net Cash Provided (Used) by Investing Activities	\$ 9,305.05	\$ 1,252.63	\$ 10,557.68
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	\$ (119,474.25)	\$ (27,009.15)	\$ (146,483.40)
<u>Cash and Cash Equivalents - July 1</u>	\$ 1,233,825.91	\$ 173,597.95	\$ 1,407,423.86
<u>Adjustment to Beginning Cash and Cash Equivalents</u>	(349.21)	.00	(349.21)
<u>Cash and Cash Equivalents - June 30</u>	\$ 1,114,002.45	\$ 146,588.80	\$ 1,260,591.25
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>			
Cash and Cash Equivalents	\$ 649,429.77	\$ 48,026.19	\$ 697,455.96
Restricted Cash			
Water Fund - Meter Deposit	206,671.61	.00	206,671.61
Depreciation and Contingency Fund	104,988.85	98,509.66	203,498.51
USDA Accounts	152,786.93	.00	152,786.93
Construction Checking	125.29	52.95	178.24
Total Cash and Cash Equivalents	\$ 1,114,002.45	\$ 146,588.80	\$ 1,260,591.25

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT G
CONTINUED

	<u>BUSINESS -TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	MAJOR FUNDS		
	WATER	SEWER	TOTAL
<u>Reconciliation of Operating Income</u>			
<u>(Loss) to Net Cash Flows from Operating Activities</u>			
Operating Income (Loss)	\$ (254,448.72)	\$ (36,179.94)	\$ (290,628.66)
Adjustments to Reconcile Operating Income to Net Cash Provided by			
Operating Activities Depreciation	402,926.91	169,848.96	572,775.87
Changes in Assets and Liabilities			
(Increase) Decrease in Accounts Receivable	14,909.27	.00	14,909.27
(Increase) Decrease in Prepaid Insurance	(6,674.00)	(1,458.00)	(8,132.00)
Increase (Decrease) in Accounts Payable	(32,517.77)	(9,962.12)	(42,479.89)
Increase (Decrease) in Accrued Liabilities	(1,490.00)	(1,482.00)	(2,972.00)
<u>Net Cash Provided (Used) by Operating Accounts</u>	<u>\$ 122,705.69</u>	<u>\$ 120,766.90</u>	<u>\$ 243,472.59</u>
 <u>Schedule of Noncash, No Capital Financing, Capital and Related Financing, and Investing Activities</u>			
	<u>\$.00</u>	<u>\$.00</u>	<u>\$.00</u>

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

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
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JUNE 30, 2018

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TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

INTRODUCTION

The Town of Farmerville, Louisiana (hereafter referred to as the Town) is governed by a “Special Legislative Charter” that was approved by the Louisiana State Legislature in 1842, which was amended in 1870. The Town must have an elected Mayor, five Aldermen/Alderwomen and a Marshal. See Schedule G for a detail of compensation.

The Town’s major operations include water and sewer, public safety, fire protection, recreation and parks, and general administrative services.

The Town of Farmerville is located in Union Parish surrounded by Darbonne Lake recreation area. The Town's major industry is timber and poultry, which includes a poultry processing plant. The Town’s estimated population was 3,847 in 2017.

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Town of Farmerville, Louisiana conform to generally accepted accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Status 24:517 and to guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to industry audit guide, Audits of State and Local Government Units (Revised). The following is a summary of certain significant accounting policies.

GASB Statement No. 14 - The reporting entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the municipality is considered a primary government, since, it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the municipality may without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The municipality has oversight of other component units that are either blended into the municipalities basic financial statements or discretely presented in a separate column in the government-wide financial statements.

Blended Component Units - The Town of Farmerville did not have any blended component units.

Discretely Presented Component Units - The Town of Farmerville did not have any Discretely Presented Component Units.

Financial Reporting Entity - Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Town includes all funds which are controlled by or dependent on the Town which was determined on the basis of oversight responsibility, including accountability for fiscal and budget matters, designation of management or governing authority and authority to issue debt. Certain units of local government over which the Town exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected officials, and other municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Town. The Town has no component units.

Government-Wide Accounting - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. In accordance with Government Accounting Standards Board Statement No. 34, the Town has presented a Statement of Net Position and Statement of Activities for the Town as a whole. These statements include the primary government, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-Wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Part of the effect of interfund has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

The Statement of Activities demonstrates the degree, to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program Revenues include, charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and grants and contributions that are restricted to meetings, the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, special revenue funds, and proprietary funds,. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Policies specific to government-wide financial statements are as follows:

Eliminating Internal Activity - Interfund receivables and payables are eliminated in the Statements of Net Position except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function are eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they are allocated.

Application of FASB Statements and Interpretations - Reporting on governmental-type and business-type activities are based on FASB Statements and the Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalized Assets - Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Amounts less than \$500 are not capitalized unless they are considered major by the mayor or council. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Position. Depreciation of contributed assets of proprietary funds is charged against contributed capital as opposed to unrestricted assets.

Under the requirements of GASB Statement No. 34, the Town is considered a Phase 3 government as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. The Town has opted not to retroactively report these type of capital assets.

Program Revenues - The Statement of Activities presents three categories of program revenues - (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Town. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for specific use.

Indirect Expenses - Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Town has chosen not to do so.

Operating Revenues - Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Town's operation of providing water and sewer services are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

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

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Pensions

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to deductions from the fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Deferred Outflows/Inflows of Resources

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenses/expenditure) until applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

Fund Accounting - The Town uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. Funds of the Town are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds - Governmental funds account for all or most of the Town's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. Major Governmental Funds

General Fund - is the general operating fund of the Town and accounts for all financial resources, except those required to be accounted for in other funds. Starting, as of July 1, 2012, the police department and fire department were transferred to separate accounts. The police department and the fire department have funds restricted to police and fire department expenditures. A one half percent sales tax was passed for the police department.

Special Revenue Funds - Sales Tax - The Town of Farmerville Sales Tax Department - The citizens of the Town of Farmerville approved a 1% sales and use tax. Proceeds of the tax have been pledged and dedicated to the retirement of Sales Tax Bonds dated May 1, 1985, which has been retired. The excess funds can be used for streets and sanitation expenditures.

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

a. On October 20, 2001 an additional ½ of 1% sales and use tax was approved. This tax was approved for construction of a recreation center and street improvements. Bonds were sold in the amount of \$2,900,000 for construction of the recreation center and improvements of the streets. The street construction was completed during 2002. The recreation center was completed at June 30, 2004. The 2002 bonds were paid off from a 2012 bond issue. The sales taxes approved in 2001 are to be used for retirement of the 2012 bonds, recreation center costs, and street improvements.

b. Farmerville Volunteer Fire Department, Inc. - The Town of Farmerville Volunteer Fire Department filed an amendment to the Articles of Incorporation on January 22, 2001. They also filed for tax exempt status from the Internal Revenue Service. They are a tax exempt organization under the code sections 509 (a) (1) and 170 (b) (A) (vi). Based on an opinion, at June 30, 2002, of the Louisiana Legislative Auditor's office, the Volunteer Fire Department, should be included in the Town's financial statements as a Special Revenue Fund. In prior years the Volunteer Fire Department had been included in the statements as a component unit of the Town of Farmerville. The volunteer fire department expenditures for operating the fire department is paid by the Town of Farmerville's General Fund. The transactions in the Volunteer Fire Department, Inc. is for miscellaneous fund raisers and miscellaneous expense for the volunteer fireman. The Town transfers the State

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

of Louisiana 2% rebate to the volunteer fire department, and is accumulated for purchase of equipment. Contributors to the Volunteer Fire Departments elect all the members of the governing board. The governing board is solely responsible for the Volunteer Fire Department Operations. The accounting records are maintained by an employee of the Town of Farmerville.

- c. Farmerville Area Fire Protection District of Union Parish - The Union Parish Police Jury created the Farmerville Area Fire Protection District of Union Parish on November 2, 1999. The fire district was created to pass a property tax to provide fire protection for an area of the parish without fire protection. The Union Parish Police Jury entered into an intergovernmental agreement with the Town of Farmerville to provide fire protection for the newly created district. The Fire District will retain 5% of the advalorem taxes in their checking account. All other proceeds will be transferred to the Town of Farmerville, to be used by the Town's fire department. Based on an opinion of the Louisiana Legislative Auditor's Office, the Fire Protection District should be included in the Town's financial statement as a Special Revenue Fund.
3. Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payments of, general long-term debt principal, interest and related costs. The Town consolidated these funds into Sales Tax Funds.
4. Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Town consolidated these funds into the Sales Tax Funds.

Proprietary Funds - Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expense generally result from providing services and producing and delivering goods in connection with a proprietary funds's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Proprietary funds include:

1. Enterprise Funds - Account for operations (a) 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 Town's enterprise fund includes services for water and sewer.
 - a. The Town of Farmerville Water Department - The Town of Farmerville rates for user charges are approved by the Town Council and the legal liability for the general obligations portion of the water authority's debt remain with the Town of Farmerville.
 - b. The Town of Farmerville Sewer Department - The sewer charges are approved by the Town Council, but are regulated by the EPA.

Basis of Accounting/Measurement Focus - The accounting and financial reporting treatment applied to a fund is determined by the type of financial statement presentation.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type and business-type activities are included in the Statement of Net Position. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in each fund.

This same measurement focus and basis of accounting is used by proprietary funds in the fund statements. However, all governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measure focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end or due under a cost reimbursement arrangement. In addition, expenses are generally recorded when a liability has incurred; however, debt service, compensated absences, claims and judgments are recorded as expenses, when payment is made. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt is reported as other financing sources and repayment of long-term debt is reported as an expenditure.

Budgets and Budgetary Accounting - The Town adopts an annual budget for the General Fund, Special Revenue Funds, and Enterprise Fund. It is prepared in accordance with the basis of accounting utilized by that fund. Any revisions that alter the total expenditures must be approved by the council. Budgeted amounts shown are as originally adopted or as amended by the Board. Budget amendments are passed in June each year. The police and fire departments are part of the general fund, separate budgets are prepared because of restricted revenues.

Cash and Cash Equivalents - Cash includes amounts in demand deposits, interest bearing demand deposits and certificates of deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities, plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank, that is mutually acceptable to both parties. The State of Louisiana banking regulations require the FDIC to ensure \$250,000 of checking and savings for each municipality.

Investments - Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. All investments of the Town are certificates of deposits held at Marion State Bank, First National Bank and Origin Bank and the fair value is determined by the face value of the certificate.

Bad Debts - Uncollectible amounts for ad valorem taxes are generally not significant. The Town records ad valorem taxes on a cash basis, so no receivables are recorded until year end. Any ad valorem taxes collected within 60 days of year end are considered receivable, so bad debts are not recorded and are considered immaterial. For customers' utility receivables, the allowance method is used to account for uncollectible amounts. Under this method, an allowance account is set up for what is deemed to be uncollectible.

Inventories - Are not considered material and are therefore not recorded. The Town purchases supplies as needed and do not maintain inventory quantities on hand.

Short-Term Interfund Receivables/Payables - During the course of operation, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the fund financial statements' balance sheet. In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize their "grossing up" effect on assets and liabilities within the governmental activities column.

Restricted Assets - Certain proceeds of the governmental funds and the enterprise funds are classified as restricted assets on the balance sheet because their use is limited. The Town recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted assets are used.

Prepaid Items - The Town purchases commercial insurance to cover their risk. Insurance companies usually require the premiums to be paid in advance of the coverage periods.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Capital Assets - The Town's assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Equipment and Furniture	3 - 10 Years	Buildings	39 - 40 Years
Utility Plant/Sewer Collection System	5 - 40 Years	Infrastructure	40 - 60 Years
Vehicles	5 - 10 Years		

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34 which requires the inclusion of infrastructure assets used in governmental activities in the general purpose financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than \$10 million. As a result of this exception, the Town has elected to not report its governmental infrastructure retroactively. The infrastructure currently being depreciated over a period of 40 years is the water and sewer system that is reported in the business-type activities of the Town. From this point forward, the Town will use the basic approach to infrastructure reporting for its governmental activities.

Compensated Absences - The Town's maximum vacation pay carry forward each year is 40 hours. Sick pay is limited to 480 hours carryforward. Any vacation pay is paid at the termination of employment, while sick time is not guaranteed. Unpaid vacation time has been recorded as an accrued payable, while sick time has not.

Long-Term Obligations - In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid. See Note # 7 for detail.

Fund Equity - GASB Statement Number 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

- a. Restricted Fund Balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributions, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- b. Committed Fund Balance - These amounts can only be used for specific purposes determined by formal resolutions or ordinances of the Town council - the government's highest level of decision making authority. These committed amounts cannot be used for any other purpose unless the city aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- c. Assigned Fund Balance - This classification reflects the amounts whose intent is to be used for specific purposes, but are neither restricted nor committed. The Town council and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.
- d. Unassigned Fund Balance - This fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use externally restricted resources first, then unrestricted resources - committed, assigned and unassigned- in order as needed.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Accounting Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

Major - Non-Major Funds - The Town's Major Funds are: General Fund, Sales Tax and Business Type Funds - Water and Sewer. The Non-Major Funds: 2002 Sales Tax Fund, Volunteer Fire Department and Farmerville Area Fire Protection District. In prior years financial statements, the Debt Service Funds were reported as a separate fund. As of June 30, 2018, the Debt Service Funds were transferred to the funds responsible for payment of the debt. The Debt Service funds increased the fund balance to the Sales Tax Fund and the Non-Major Funds.

Recently Issued Accounting Principles

GASB-63 - In June 2011, the GASB issued Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The provisions of this statement are effective for financial periods beginning after December 31, 2011. During fiscal year ended June 30, 2013, the Town adopted the statement and restated balances previously referred to as net assets to net position.

GASB - 64 - This statements provides guidance on derivative instruments and application of hedge accounting termination provisions. This statements amends GASB statement number 53. This statement is effective for financial statements for periods beginning after June 15, 2011. The Town does not have any derivative instruments and hedge funds.

GASB - 65 - This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows or resources or inflows of resources, certain items that were previously reported as assets and liabilities. Also, certain cost of construction projects that were traditionally added to the costs are now to be expensed out in the period occurred. These cost refer to the cost such as attorney fees, administrative cost, interest and fees to secure financing of the project. For prior year projects these costs are to be taken out of the cost of the assets and reclassified as a prior period adjustments. The Town reclassified the cost (net of depreciation) from the projects back to the year 2006. Projects before that date are considered to immaterial in 2014. This statement was adopted in 2014.

GASB - 66 - The statement is an amendment of GASB statements numbers 10 and 62. GASB 66 removes GASB 10 (Accounting and Financial Reporting for Risk Financing and Related Insurance Issues) by removing the provision that limits fund-based reporting of risk financing activities to the general fund and the internal service fund type. As a result, governments would base their decisions on GASB 54. GASB 66 resolves conflicts between GASB 62 and other pronouncements. These changes clarify how to apply statement number 13 (Accounting for Operating Leases with Scheduled Rent Increases) and result in guidance that is consistent with requirements in statement number 48 (Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues). This statement is effective for periods beginning after December 15, 2012.

GASB - 67, 68, 71 and 73 - These statements concern pension plans guidelines. GASB 67 is effective for financial statements for fiscal years beginning after June 15, 2013. GASB 68 is effective for fiscal years beginning after June 15, 2014 and GASB 71 should be applied simultaneously with the GASB 68 Statement 73 covers pension not covered in statement 67 and 68. See Note # 26.

GASB - 69 - This statement is guidance on government combinations and disposals of government operations. The effective date is for periods beginning after December 15, 2013. The Town has not been required to implement these guidelines as of the date of this statement.

GASB - 70 - The statement addresses accounting and financial reporting for nonexchange financial guarantees. The provisions are effective for financial statements for reporting beginning after June 15, 2013 and do not apply to the Town's 2018 financial statements.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

GASB 71 - This statement addresses pension transitions for contributions made subsequent to the measurement date and amends statement 68.

GASB 72 - This statement deals with fair value measurement and application the requirements of which are effective for financial statements for reporting periods beginning after June 15, 2015.

GASB 74 - The statement addresses financial reporting for postemployment benefit plans other than pension plans that are administered through trusts.

GASB 75 - This statement also is about accounting and financial reporting by employers for postemployment benefits other than pensions. It replaces the requirements of GASB 45 and is effective for financial statements beginning after June 15, 2018.

GASB 76 - The provisions in this statement are effective for reporting periods beginning after June 15, 2015 and deals with the hierarchy of generally accepted accounting principles for state and local governments.

GASB 77 - This statement defines tax abatements as reduction of tax revenues as the results from an agreement between governments and individuals or entities in which the governments forgo tax revenues for promises by specific actions that will benefit the government or citizens of the government. The statement is effective for periods beginning after December 15, 2015. This statement does not affect the Town.

GASB 78 - This statement's requirements are effective for reporting periods beginning after December 15, 2015 and addresses pensions provided through certain multiple-employer defined benefit pension plans. This statement addresses recognition and measurement of pension expense, expenditures, and liabilities; note disclosures, and required supplementary information for pensions that have certain characteristics.

GASB 79 - The requirements of this statement are effective for reporting periods beginning after June 15, 2015 except for certain paragraphs that are effective for reporting periods beginning after December 15, 2015 and concerns certain external investment pools and participants. The Town is not a member of an investment pool.

GASB 80 - The statement addresses blending requirements for certain component units and amends GASB 14. The Town does not have component units.

GASB 81 - This statement concerns irrevocable split- interest agreements and is effective for periods beginning after December 15, 2016. This statement's effect has not been determined for these financial statements.

GASB 82 - This statement amends statements 67, 68, and 73 for pension plans and is effective for periods beginning after June 15, 2016. This statement addresses required supplementary information, assumptions and treatment of deviations, and the classification of payments made by employers to satisfy employee contributions.

GASB 83 -88 - These statements are either not effective or have no effect on this statement.

NOTE # 2 - CASH AND INVESTMENTS

CASH PLEDGED BY BANKS

	FINANCIAL STATEMENT RECONCILED AMOUNT	AMOUNTS PER BANK		
		MARION STATE BANK	FIRST NATIONAL BANK	ORIGIN BANK
TOTAL - JUNE 30, 2018	\$ 4,102,565.49	\$ 2,489,474.84	\$ 657,840.09	\$ 778,025.53
Deduct - Fire Dept. Account	40,321.53	.00	.00	.00
Pledge Receipt	4,567,637.50	3,138,055.50	444,228.00	985,354.00
Difference	\$ (505,393.54)	\$ (648,580.66)	\$ 213,612.09	\$ (207,328.47)
FDIC Covers:				
Time and Savings Deposits	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00
Bank Reported Accounts	2,995,641.69	2,175,008.50	531,016.85	.00
Difference from FDIC Coverage	\$ 2,745,641.69	\$ 1,925,008.50	\$ 281,016.85	\$ 250,000.00

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 2 - CASH AND INVESTMENTS CONTINUED

	<u>FINANCIAL</u> <u>STATEMENT</u> <u>RECONCILED</u> <u>AMOUNT</u>	<u>AMOUNTS PER BANK</u>		
		<u>MARION</u>	<u>FIRST</u>	<u>ORIGIN</u>
		<u>STATE</u> <u>BANK</u>	<u>NATIONAL</u> <u>BANK</u>	<u>BANK</u>
Demand Deposits	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00
Bank Reported Accounts	1,066,602.27	314,466.34	126,823.24	778,025.53
Difference from FDIC Coverage	\$ 816,602.27	\$ 64,466.34	\$ (123,176.76)	\$ 528,025.53
Total Difference funded by Pledge	\$ (1,005,393.54)	\$ (1,148,580.66)	\$ (286,387.91)	\$ (457,328.47)

The pledged deposits are stated at market value. Under state law, these deposits must be secured by federal deposits insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount of deposit within the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Pledge securities are held in the following agencies:

<u>BANKS</u>	<u>AGENCIES</u>	<u>MARKET</u> <u>VALUE</u>	<u>PAR VALUE</u>
Origin Bank	Raymond James	\$ 985,354.00	\$ 2,410,000.00
First National Bank of Ruston	Raymond James	444,228.00	434,602.12
Marion State Bank	Federal Home Loan Bank of Dallas	3,138,055.50	3,075,244.57

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the same official custodian in an insured depository institution within the state in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the same official custodian in an insured depository institution within the state in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term "savings deposits" includes NOW accounts, money market deposit accounts, but does not include interest-bearing demand deposit accounts. The term "demand deposits" mean deposits payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

The FDIC issued an updated description of the explanation of savings deposits as follows: (The insurance coverage of public unit accounts depends upon the type of deposit and location of the insured depository institution. All time and savings deposits owned by a public unit and held by the same official custodian in an insured depository institution within the state in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by the public unit and held by the same official custodian in an insured depository institution within the state in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term "savings deposits" includes NOW accounts, money market deposit accounts, and other interest-bearing checking accounts.)

Even though the pledged securities are considered uncollateralized (Category 3) under the provision of GASB Statement 3, R. S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

INVESTMENTS - The government's investments are categorized as either (1) insured or registered or for which the securities are held by the government or his agent in the government's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the government's name, or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the government's name.

<u>JUNE 30, 2018</u>	<u>CATEGORIES</u>			<u>CARRYING</u> <u>AMOUNT</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Government Securities				
Savings	\$ 323,674.64	\$.00	\$.00	\$ 323,674.64
Certificates of Deposit				
90 Days or Less	2,382,350.71	.00	.00	2,382,350.71
Total Investments	\$ 2,706,025.35	\$.00	\$.00	\$ 2,706,025.35

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 2 - CASH AND INVESTMENTS CONTINUED

The State requires collateral pledged for deposits to be held in the government's name by the trust department. The trust department reviews collateral pledged for compliance. Substantially all deposits matured in June 2018, therefore, interest was not accrued on the certificates of deposits. The accounts have interest added on a monthly basis.

NOTE # 3 - RECEIVABLES/ALLOWANCE FOR DOUBTFUL ACCOUNTS

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

Receivables at June 30, 2018 consist of the following:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>GENERAL</u>	<u>FIRE AND POLICE</u>	<u>SPECIAL REVENUE</u>		<u>2018 TOTAL</u>
<u>RECEIVABLES</u>			<u>SALES TAX</u>	<u>RECREATION</u>	
Franchise Taxes	\$ 20,538.74	\$.00	\$.00	\$.00	\$ 20,538.74
Licenses & Taxes	1,989.74	.00	.00	.00	1,989.74
Video Bingo	6,855.74	.00	.00	.00	6,855.74
State of Louisiana - Beer Tax	1,752.11	.00	.00	.00	1,752.11
FEMA	.00	.00	63,849.75	.00	63,849.75
Union Parish Police Jury	634.50	.00	.00	.00	634.50
Advalorem Taxes	2,446.82	484.84	.00	.00	2,931.66
Sales Taxes	.00	46,973.39	93,946.77	46,973.39	187,893.55
Other Receivables	.00	21,230.68	.00	.00	21,230.68
Total Receivables	<u>\$ 34,217.65</u>	<u>\$ 68,688.91</u>	<u>\$ 157,796.52</u>	<u>\$ 46,973.39</u>	<u>\$ 307,676.47</u>
 <u>RECEIPTS/DISBURSEMENTS OTHER DEPARTMENTS</u>					
Water Department	\$ 101,739.07	\$.00	\$ 27,532.07	\$.00	\$ 129,271.14
Fire Department	60,249.75	(60,249.75)	.00	.00	.00
Net Other Departments	<u>\$ 161,988.82</u>	<u>\$ (60,249.75)</u>	<u>\$ 27,532.07</u>	<u>\$.00</u>	<u>\$ 129,271.14</u>
 <u>NET GOVERNMENTAL ACTIVITIES</u>	 <u>\$ 196,206.47</u>	 <u>\$ 8,439.16</u>	 <u>\$ 185,328.59</u>	 <u>\$ 46,973.39</u>	 <u>\$ 436,947.61</u>
 <u>BUSINESS TYPE ACTIVITIES</u>					
Customer Receivables					\$ 286,606.32
Allowances for Bad Debts					(53,580.57)
Due from IRS					128.00
LCDBG - Sewer Department					59,115.42
<u>NET BUSINESS TYPE ACTIVITIES</u>					<u>\$ 292,269.17</u>

Allowances for doubtful accounts for the Proprietary Fund - Water/Sewer receivable accounts is based on the collectibility of outstanding receivables.

Aged Accounts Receivable Water Customers:

	<u>TOTAL</u>	<u>CURRENT</u>	<u>DAYS 30 - 60</u>	<u>DAYS OVER 60</u>
June 30, 2018	<u>\$ 286,606.32</u>	<u>\$ 224,668.40</u>	<u>\$ 30,761.74</u>	<u>\$ 31,176.18</u>

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 4 - UTILITY RATES

Utility rates were increased on September 9, 2013. The rates for water, sewer and garbage are as follows:

I.	<u>RESIDENTIAL</u> <u>CURRENT</u>	<u>COMMERCIAL</u> <u>CURRENT</u>
<u>WATER</u>		
First 2,000 Gallons - In Town	\$ 17.00	\$ 25.00
Over 2,000 Gallons Per 1,000 Gal. - In	4.00	4.00
First 2,000 Gallons - Out of Town	25.00	33.00
Over 2,000 Gallons per 1,000 Gal.- Out	4.00	4.00
<u>SEWER</u>		
Based on water usage Per 1,000 Gallons:		
Inside City Limits	\$ 4.00	\$ 4.00
Outside City Limits	5.00	12.00
<u>GARBAGE</u>	\$ 10.00	\$ 25.00
<u>RECONNECT FEE</u>	\$ 25.00	
<u>DUMPSTER</u>		
<u>40 Cu Yd - Per Pull</u>		\$ 150.00
<u>8 Cu Yd - Per Container</u>		\$ 25.00
Plus 1 X Week		50.00
Plus 2 X Week		100.00
<u>6 Cu Yd - Per Container</u>		\$ 20.00
Plus 1 X Week		40.00
Plus 2 X Week		80.00
<u>4 Cu Yd - Per Container</u>		\$ 15.00
Plus 1 X Week		25.00
Plus 2 X Week		50.00
<u>COMPACTOR</u>		\$150.00 - \$250.00
<u>TAPPING FEE</u>		\$ 250.00

II. Any full time employee, council member, firemen, and the mayor receive a preferred rate or employee discount for utilities. Based on the approved rate schedule:

	<u>CURRENT</u>
Water	\$ 17.00
Sewer	4.00
Garbage	10.00
	<u>\$ 31.00</u>

III. The Town of Farmerville , also, has an industrial rate of 75 to 76 cents per 1,000 gallons of water. The Town of Farmerville also has an institutional rate minimum of \$25 for the first 2,000 gallons and \$4.00 per 1,000 gallons of water used over 2,000 gallons. The Poultry Plant receives the industrial rate of \$.85 per 1,000 gallons with no minimum. The Union Parish Police Jury Jail has an industrial rate of \$1.75. Water systems with a contract with the Town are charged \$1.50 per 1,000 gallons, while systems with no contract are charged \$4.00 per 1,000 gallons. Institutional out of town customers receive a minimum fee charge of \$33.

NOTE # 5 - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Tax notices are usually mailed during November each year and become delinquent after December 31, of the year. The delinquent taxes are sold each year, therefore, an allowance for uncollectible was not recorded.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 5 - PROPERTY TAXES CONTINUED

For the Year Ended June 30, 2018, taxes were levied on property with assessed valuations totaling \$ 28,135,659 and were dedicated as follows:

	<u>MILLS</u>	<u>TAXES</u>
General Fund	8.80	\$ 235,130.01
Dedicated Fund - Fire Dept.	7.90	211,422.21
Total Taxes Levied	<u>16.70</u>	<u>\$ 446,552.22</u>
Dedicated Funds - Area Fire Protection District		<u>\$ 271,788.82</u>
Payments in Lieu of Taxes		<u>\$.00</u>

A recap of the largest assessment is as follows:

	<u>ASSESSED VALUE</u>	<u>TAX AMOUNT</u>
Rental Property	\$ 882,889	\$ 14,037.94
Retail Store 1	751,379	10,100.00
Bank	-	14,881.00
Utility Company	729,860	12,989.00
Bank 2	646,916	10,289.00
Nursing Home	662,075	10,527.00
Rental Property	581,231	7,864.00
Land Development Company	376,020	7,094.00
Auto Dealership 1	367,207	6,837.00
Auto Dealership 2	352,522	6,817.00
Bank 3	341,516	.00

The Town bills and collects its own property taxes using the assessed values determined by the Union Parish Tax Assessor, as follows:

Levy Date	January 1, 2017
Millage Rates Adopted	
Tax Bills Mailed	November 20, 2017
Due Date	December 31, 2017
Lien Date	January 1, 2018

State law requires the Town to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year.

NOTE #6 - RESTRICTED ASSETS

Restricted Assets consisted of:

GOVERNMENTAL

Sales Tax Fund	USDA Reserves for Debt Service	\$ 37,448.58
Sales Tax Fund	TIF Reserves	9,285.85
2002 Sales Tax Bonds	Recreation & Street Debt Service	111,059.56
Total		<u>\$ 157,793.99</u>

PROPRIETARY

Water	Customer Deposits	\$ 206,671.61
Water	USDA reserves	257,901.07
Sewer	Bond Sinking fund	98,509.66
Sewer	Construction Accounts	52.95
Total		<u>\$ 563,135.29</u>

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 7 - LONG-TERM DEBT

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds therefore are reported in the proprietary funds if they are expected to be repaid from proprietary revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 25-year serial bonds, except for refunds in issues, with equal amount of principal maturing each year. The Town did not have any general obligation bonds.

The excess funds from general obligation bonds were transferred to the general fund to be used as restricted funds. The funds not expended are shown as restricted funds in the general fund equity.

Revenue Bonds

The government also issues bonds where the government pledges income to pay debt service. A \$.01 sales tax is pledged to pay these revenue bonds.

In February 2002, \$2,900,000 of revenue bonds were issued for construction of a recreation center and street improvements. An additional sales tax of ½ of 1% sales tax was approved for payment of these bonds.

2002 Sales Tax Bonds

The 2002 sales tax bonds were paid off and a new bond issue 2012 bonds were issued in the amount of \$2,575,000. The new bonds interest rate ranges from 1% to 3.95%, which replaces the interest rate of 4.25%.

2010 Revenue Bonds

The Town received \$500,000 of revenue bonds in June 2010. These bonds were used for the street construction cost on Louisiana Highway 2. The bonds are payable over 20 years with an interest rate of 4.95%.

USDA Loan and Grant

The USDA loan was for purchase of equipment for the street department with the use of the USDA grant for the purchase of equipment for the water department. The total loan was \$269,100 and the grant was for \$144,900. The monthly payments are \$2,008 with payments starting on May 10, 2011. The interest rate is 4.13%. The bonds are payable from the sales tax fund, with the water department payment of the excess of the equipment purchase over the grant of \$13,900.

Bancorpsouth - Lease Purchase

A garbage truck was purchased in July 2016 with monthly payments of \$3,773.20 for 24 months with a final payment of \$95,000.00.

2015 - USDA Water Well Project

The total loan amount received was \$2,224,000.00 with an interest rate of 1.875% for 39 years. Interim financing by Regions Bank at June 30, 2016.

2016 - Bonds \$1,000,000 - Water System

Purpose of providing financing for the construction of utility infrastructure, turn lane and related public improvements to enhance economic development. Bond date April 13, 2016; maturity date June 1, 2036 and interest rate of 3.55%. Total bonds \$1,000,000.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 7 - LONG-TERM DEBT CONTINUED

Outstanding Revenue Bonds and Lease Purchase balances at June 30, 2018 are as follows:

<u>PURPOSE</u>	<u>INTEREST RATES</u>	<u>INTEREST PAID</u>	<u>BALANCE OF PRINCIPAL 06/30/18</u>
<u>PROPRIETARY FUND</u>			
Revenue Bonds	4.95%	\$ 15,263.25	\$ 290,000.00
USDA Loan	1.875%	40,023.65	2,206,995.98
Total Proprietary Fund		<u>\$ 61,697.22</u>	<u>\$ 2,496,995.98</u>
<u>GOVERNMENTAL FUNDS</u>			
Bancorsouth Lease Purchase	2.29%	\$ 3,209.84	\$ 98,831.91
USDA	4.125%	6,995.38	160,855.21
Revenue Bonds - 2010	4.95%	18,562.50	355,000.00
Revenue Bonds - 2012	2.20% - 3.95%	63,600.00	1,725,000.00
Revenue Bonds - 2016	3.55%	24,020.50	515,000.00
Total Governmental Funds		<u>\$ 110,721.22</u>	<u>\$ 2,854,663.32</u>
<u>TOTALS</u>		<u>\$ 172,418.44</u>	<u>\$ 5,351,659.30</u>

Revenue Bonds Debt service requirements and Lease Purchase requirements are listed below:

PRINCIPAL AMOUNTS

<u>FISCAL YEAR ENDING JUNE 30</u>	<u>INTEREST RATES</u>	<u>UTILITIES REVENUE BONDS</u>	<u>USDA INTEREST RATES</u>	<u>USDA LOAN</u>	<u>USDA INTEREST RATES</u>	<u>USDA LOAN</u>
<u>PROPRIETARY FUND</u>						
2019	4.95%	\$ 20,000.00	1.875%	\$ 39,096.75	1.875%	\$ 9,008.77
2020	4.95%	20,000.00	1.875%	39,728.03	1.875%	9,177.51
2021	4.95%	20,000.00	1.875%	38,684.49	1.875%	9,352.68
2022	4.95%	20,000.00	1.875%	37,916.90	1.875%	9,529.57
2023	4.95%	20,000.00	1.875%	37,134.81	1.875%	9,451.49
2024 - 2028	4.95%	130,000.00	1.875%	222,747.46	1.875%	.00
2029 - 2033	4.95%	60,000.00	1.875%	244,738.07	1.875%	.00
2034 - 2038	-	-	1.875%	268,782.07	1.875%	.00
2039 - 2043	-	-	1.875%	295,188.59	1.875%	.00
2044 - 2048	-	-	1.875%	324,157.51	1.875%	.00
2049 - 2053	-	-	1.875%	356,054.65	1.875%	.00
2054 - 2056	-	-	1.875%	245,903.03	1.875%	.00
Totals		<u>\$ 290,000.00</u>		<u>\$ 2,160,475.96</u>		<u>\$ 46,520.02</u>

BOND PRINCIPAL & INTEREST

2019	4.95%	34,355.00	1.875%	\$ 79,272.00	1.875%	\$ 9,804.00
2020	4.95%	33,365.00	1.875%	79,272.00	1.875%	9,804.00
2021	4.95%	32,375.00	1.875%	79,272.00	1.875%	9,804.00
2022	4.95%	31,385.00	1.875%	79,272.00	1.875%	9,804.00
2023	4.95%	30,395.00	1.875%	79,272.00	1.875%	9,804.00
2024 - 2028	4.95%	164,650.00	1.875%	396,360.00	1.875%	.00
2029 - 2033	4.95%	64,755.00	1.875%	396,360.00	1.875%	.00
2034 - 2038	-	-	1.875%	396,360.00	1.875%	.00
2039 - 2043	-	-	1.875%	396,360.00	1.875%	.00
2044 - 2048	-	-	1.875%	396,360.00	1.875%	.00
2049 - 2053	-	-	1.875%	396,360.00	1.875%	.00
2054 - 2056	-	-	1.875%	253,545.15	1.875%	.00
Totals		<u>\$ 391,280.00</u>		<u>\$ 3,028,065.15</u>		<u>\$ 48,760.81</u>

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 7 - LONG-TERM DEBT CONTINUED

GOVERNMENTAL FUNDS

Revenue Bonds Debt Service requirements and Lease Purchase requirements are listed below:

PRINCIPAL AMOUNTS

FISCAL YEAR ENDING JUNE 30	INTEREST RATES	RECREATION & STREETS	INTEREST RATES	REVENUE BONDS	INTEREST RATES	USDA	INTEREST RATES	GEN. FUND BANKCORP-SO LEASE PURCHASE
2019	2.50%	\$ 160,000.00	4.95%	\$ 20,000.00	4.125%	\$ 17,794.86	2.29%	\$ 98,831.91
2020	2.50%	170,000.00	4.95%	20,000.00	4.125%	18,527.99	-	-
2021	2.50%	175,000.00	4.95%	25,000.00	4.125%	19,321.81	-	-
2022	2.50%	185,000.00	4.95%	25,000.00	4.125%	20,134.07	-	-
2023	2.50%	190,000.00	4.95%	25,000.00	4.125%	20,980.49	-	-
2024 - 2028	2.500% - 3.30%	845,000.00	4.95%	160,000.00	4.125%	64,072.19	-	-
2029 - 2033		-	4.95%	75,000.00	4.125%	-	-	-
<u>Totals</u>		<u>\$ 1,725,000.00</u>		<u>\$ 355,000.00</u>		<u>\$ 160,831.41</u>		<u>\$ 98,831.91</u>

BOND PRINCIPAL AND INTEREST

FISCAL YEAR ENDING JUNE 30	INTEREST RATES	RECREATION & STREETS	INTEREST RATES	REVENUE BONDS	INTEREST RATES	USDA	INTEREST RATES	GEN. FUND BANKCORP-SO LEASE PURCHASE
2019	2.50%	\$ 219,725.00	4.95%	\$ 41,632.50	4.125%	\$ 24,096.00	2.29%	\$ 100,000.00
2020	2.50%	225,325.00	4.95%	40,147.50	4.125%	24,096.00	-	-
2021	2.50%	225,225.00	4.95%	38,662.50	4.125%	24,096.00	-	-
2022	2.50%	229,712.50	4.95%	42,177.50	4.125%	24,096.00	-	-
2023	2.50%	228,607.50	4.95%	40,445.00	4.125%	24,096.00	-	-
2024 - 2028	2.500%-3.30%	927,957.50	4.95%	80,692.50	4.125%	67,985.92	-	-
2029 - 2032		-	4.95%	.00	4.125%	-	-	-
<u>Totals</u>		<u>\$ 2,056,552.50</u>		<u>\$ 283,757.50</u>		<u>\$ 188,465.92</u>		<u>\$ 100,000.00</u>

Changes in Long-Term Liabilities During the year ended June 30, 2018, The following changes occurred in liabilities reported in the general long-term debt account group. Revenue Bonds Debt Service requirements and Lease Purchase requirements are listed below:

<u>PROPRIETARY FUND</u>	<u>ADDITIONS</u>			
	<u>JULY 1, 2017</u>	<u>ADJUSTMENTS</u>	<u>PAYMENTS</u>	<u>JUNE 30, 2018</u>
Revenue Bonds	\$ 310,000.00	\$.00	\$ (20,000.00)	\$ 290,000.00
USDA Loan	2,198,886.48	4,018.94	(42,429.46)	2,160,475.96
USDA Loan	57,161.84	.00	(10,641.82)	46,520.02
<u>Total</u>	<u>\$ 2,566,048.32</u>	<u>\$ 4,018.94</u>	<u>\$ (73,071.28)</u>	<u>\$ 2,496,995.98</u>
<u>GOVERNMENTAL FUNDS</u>				
Sales Tax - Streets & Recreation	\$ 1,880,000.00	\$.00	\$ (155,000.00)	\$ 1,725,000.00
Revenue Bonds 2010	375,000.00	.00	(20,000.00)	355,000.00
BancorpSouth - Lease Purchase	140,900.47	.00	(42,068.56)	98,831.91
USDA Loan	177,932.03	.00	(17,100.62)	160,831.41
Revenue Bonds 2016 \$1,000,000	544,000.00	.00	(29,000.00)	515,000.00
<u>Total</u>	<u>\$ 3,117,832.50</u>	<u>\$.00</u>	<u>\$ (263,596.57)</u>	<u>\$ 2,854,663.32</u>
<u>GRAND TOTAL</u>	<u>\$ 5,683,880.82</u>	<u>\$ 4,018.94</u>	<u>\$ (336,667.85)</u>	<u>\$ 5,351,659.30</u>

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 8 - CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2018 is as follows:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>RETIREMENT</u>	<u>ENDING BALANCE</u>
Non-Depreciable Assets:				
Land	\$ 349,335.91	\$.00	\$.00	\$ 349,335.91
Depreciable Assets:				
Buildings	2,276,414.03	.00	.00	2,276,414.03
Improvements Other Than Buildings	1,163,836.26	53,216.81	.00	1,217,053.07
Machinery and Equipment	5,333,475.82	244,955.52	(178,947.33)	5,399,484.01
Infrastructure	4,300,454.81	1,176,419.27	.00	5,476,874.08
Totals at Historical Cost	<u>\$ 13,423,516.83</u>	<u>\$ 1,474,591.60</u>	<u>\$ (178,947.33)</u>	<u>\$ 14,719,161.10</u>
Less: Accumulated Depreciation				
Buildings	\$ 654,084.40	\$ 49,726.66	\$.00	\$ 703,811.06
Improvements	493,930.64	29,751.00	.00	523,681.64
Machinery and Equipment	3,736,203.42	323,799.46	(172,856.71)	3,887,146.17
Infrastructure	1,006,996.20	116,783.43	.00	1,123,779.63
Total Accumulated Depreciation	<u>\$ 5,891,214.66</u>	<u>\$ 520,060.55</u>	<u>\$ (172,856.71)</u>	<u>\$ 6,238,418.50</u>
<u>CAPITAL ASSETS NET</u>	<u>\$ 7,532,302.17</u>	<u>\$ 954,531.05</u>	<u>\$ (6,090.62)</u>	<u>\$ 8,480,742.60</u>
<u>BUSINESS-TYPE ACTIVITIES</u>				
Non-Depreciable Assets:				
Land	\$ 25,752.00	\$.00	\$.00	\$ 25,752.00
Construction in Process				
Sewer Department	.00	273,919.68	.00	273,919.68
Depreciable Assets:				
Sewer Department	8,035,967.65	.00	.00	8,035,967.65
Water Department	10,986,877.48	116,839.16	(60,687.70)	11,043,028.94
Totals at Historical Cost	<u>\$ 19,048,597.13</u>	<u>\$ 390,758.84</u>	<u>\$ (60,687.70)</u>	<u>\$ 19,378,668.27</u>
Less Accumulated Depreciation				
Water System	\$ 3,600,939.42	\$ 488,324.91	\$ (55,887.70)	\$ 4,033,376.63
Sewer System	3,651,175.58	169,848.96	.00	3,821,024.54
Total Accumulated Depreciation	<u>\$ 7,252,115.00</u>	<u>\$ 658,173.87</u>	<u>\$ (55,887.70)</u>	<u>\$ 7,854,401.17</u>
<u>BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS NET</u>	<u>\$ 11,796,482.13</u>	<u>\$ (267,415.03)</u>	<u>\$ (4,800.00)</u>	<u>\$ 11,524,267.10</u>

In proprietary funds, the following estimated useful lives are used to compute depreciation:

Investments 25 - 60 Years Equipment 10 - 20 Years Vehicles 4 - 5 Years

FASB-34 (Capitalization of Interest Costs) requires that interest expenditures incurred during construction of assets be capitalized. FASB-62 (Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants) concludes that constructed assets financed with the proceeds of tax-exempt debt (if those funds are externally restricted to finance the acquisition of the asset or used to service the related debt) should include capitalized interest only to the extent that interest cost exceeds interest earned of the tax-exempt borrowing. No interest costs were capitalized.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 9 - INTERFUND ASSETS/LIABILITIES

All interfund payables/receivables are required to be paid within one year except the sewer/water receivable/payable.

DUE FROM/TO OTHER FUNDS

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
<u>GOVERNMENTAL ACTIVITIES/ BUSINESS-TYPE ACTIVITIES</u>		
General Fund - Garbage	Water - Garbage Fees	\$ 114,464.14
General Fund	Water	14,807.00
<u>GENERAL FUND INTERCOMPANY</u>		
General Fund	Fire Department	60,636.75
General Fund	Police Department	387.50
Sales Tax	General Fund	27,532.07
<u>WATER - SEWER DEPARTMENT INTERCOMPANY</u>		
Sewer Department	Water Department	100,048.87
Totals		<u>\$ 317,876.33</u>

<u>TRANSFERRED FROM</u>	<u>TRANSFERRED TO</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Fire Department	General Fund	Administrative Fee	\$ 5,000.00
General Fund	Police Department	Administrative Fee	270,000.00
Fire Department	Volunteer Fire Department	2% Monies	23,130.62
Sales Tax - Recreation	General Fund	Administrative Fee	10,000.00
Water	General Fund	Administrative Fee	30,000.00
Sales Tax	General Fund	Administrative Fee	30,000.00
Fire Department	Volunteer Fire Department	Building Improvements on fire practice facility	53,216.81
General Fund	Water	Net book value of equipment	700.00
			<u>\$ 422,047.43</u>

NOTE # 10 - COMPENSATION

See Schedule G for detail schedule of compensation paid to elected officials. Schedule H for a schedule of compensation benefits and other payments to Mayor. The Police Chief is also the elected Marshall. In that capacity he receives \$700 a month. He also receives a salary for his position as chief of police.

NOTE #11 - EMPLOYEE RETIREMENT

Substantially all employees of the Town of Farmerville are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, or Firefighters Retirement System of Louisiana and Social Security. These systems are multiple-employer public employee retirement systems(PERS), controlled and administered by separate boards of trustees. Pertinent information relative to each plan as follows:

A. Municipal Employees Retirement System of Louisiana (System) - The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality were members of Plan B. In July 2002, the Town elected Plan A.

Normal Retirement eligibility and benefit computation

A member of Plan A is eligible to retire and receive normal retirement benefits if:

1. He has credit for at least twenty-five years of Plan A service, regardless of his age; or,
2. He has credit for at least ten years of Plan A service and is at least the age of sixty years

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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NOTE #11 - EMPLOYEE RETIREMENT CONTINUED

The monthly Maximum Plan A normal retirement benefit is an amount equal to three percent of the member's final compensation multiplied by his years of credited service (three percent multiplied by each year of credited service multiplied by final compensation), provided that:

1. A member who held an elective office in a participating municipality is paid an additional monthly benefit equal to one-half of one percent of the member's final compensation multiplied by each year of such elective service (one-half of one percent multiplied by each year of such elective service multiplied by final compensation); and
2. For an employee who was a member only of the supplemental plan prior to the revision date, the monthly benefit earned for service credited prior to the revision date will be determined on the basis of one percent of final compensation plus two dollars per month for each year of service credited prior to the revision date, and three percent of final compensation for each year of service credited after the revision date.

For example, the monthly retirement benefit of a member who has credit for twenty-seven years of service with a final compensation (see definition) of \$1,500 would be computed as follows: $3\% \times 27 \times \$1,500 = \$1,215$. If this member had credit for thirty years of service his benefit would be \$1,350 ($3\% \times 30 \times \$1,500 = \$1,350$).

The monthly benefit, as it may be increased by cost-of-living adjustments, is paid for the life of the retiree and, if an optional mode of benefit payments is selected (see Mode of payment options), a monthly benefit, payable upon the death of the retiree, will be paid to the option beneficiary for the life of the beneficiary.

Applications for normal retirement should be submitted to the system at least six weeks prior to the planned retirement date. A copy of the member's birth certificate and, if an optional mode of benefit payments is selected (see Mode of payment options), a copy of the option beneficiary's birth certificate must be attached to the application of retirement.

If a retired member dies without having received in retirement benefits an amount equal to his accumulated employee contributions and if he is survived by no person eligible for any other benefits, the difference between the amount of his accumulated employee contributions and the amount he received in retirement benefits will, upon application, therefore, be paid to his designated beneficiary or, if none, his estate.

Early Retirement eligibility and benefit computation

A member of Plan A who has credit for twenty years of Plan A service, exclusive of military service, may retire at any age. However, the benefits paid to such a member must be actuarially reduced from the earliest age that he would otherwise have become eligible for a normal retirement if he had continued in service to that age and such a member may not participate in the Deferred Retirement Option Plan.

Disability retirement eligibility and benefit computation

A member of Plan A is eligible to retire and receive disability retirement benefits if he has credit for at least five years of service, is not eligible for normal retirement benefits, and suffers disability.

The monthly Maximum Plan A disability retirement benefit is the lesser of (1) an amount equal to three percent of the member's final compensation multiplied by his years of service (three percent multiplied by each year of credited service multiplied by final compensation), but not less than forty-five percent of the member's final compensation, or, (2) an amount equal to what the member's normal retirement benefit would be based on his current final compensation, but assuming he remained in continuous service until his earliest normal retirement age and using the retirement benefit computation factors which would be applicable to his normal retirement. An applicant for disability retirement may select an optional mode of benefit payments (see Mode of payment options).

Survivor benefit eligibility and computation

Upon the death of a member of Plan A who has credit for five or more years of service and who is not eligible for normal retirement benefits, the following survivor benefits, upon application therefore, are payable:

1. A surviving spouse with minor children will be paid a monthly benefit equal to sixty percent of the member's final compensation, such benefit to continue as long as the spouse lives or until no child in his care satisfies the definition of minor child. A surviving spouse is deemed to have minor children for as long as at least one minor child is legally under his care.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 11 - EMPLOYEE RETIREMENT CONTINUED

The surviving spouse must have been married to the deceased member for at least twelve months preceding the member's death to be eligible for survivor benefits.

2. A surviving minor child with no surviving spouse will be paid a monthly benefit equal to thirty percent of the member's final compensation; however, total payments may not exceed sixty percent of the member's final compensation. If more than two minor children survive the member, the benefit payable at any time to each child is an amount determined by dividing the total amount payable (sixty percent of the member's final compensation) by the number of children the eligible for a benefit. Minor child survivor benefits may only be applied for and paid to the person who has legal care, custody, and control of minor child.

A member who is eligible for normal retirement at the time of his death and who leaves a surviving spouse will be deemed to have retired and selected the Option No. 2 mode of benefit payments on the date of his death; such benefits, upon application therefore, are paid in lieu of any other survivor benefits. Upon the death of any member who is eligible for normal retirement at the time of his death and who leaves surviving minor children but no surviving spouse, an amount equal to thirty percent of the member's final compensation shall be paid to each minor child each month, not to exceed an aggregate of sixty percent. If more than two minor children survive such a member, the benefit payable at any time to each child is an amount determined by dividing the total amount payable (sixty percent of the member's final compensation) by the number of children then eligible for a benefit. Minor child survivor benefits may only be applied for and paid to the person who has legal care, custody, and control of minor child.

A copy of the member's and survivor's marriage license must be attached to the application for survivor benefit's if the applicant is a surviving spouse of a member. A copy of the minor child's birth certificate and applicable custody judgment must be attached to the application for survivor benefits if the application is filed on behalf of a surviving minor child of a member.

If only one person is eligible for survivor benefits that person may apply for and be paid a refund of the deceased member's accumulated employee contributions in lieu of payment of survivor benefits. If two or more persons are eligible for survivor benefits and they all agree to do so, they may apply for and be paid a refund of the deceased member's accumulated employee contributions in lieu of payment of survivor benefits. The survivor(s) must notify the board in writing of the decision to request a refund in lieu of the survivor benefits. Such refund payments are subject to the same provisions as are other refund payments.

Employee contributions

Each member of Plan A shall contribute 9.25% of his earnings from each and every payment of earnings.

Each participating employer of Plan A shall contribute an amount equal to a percentage of each employee's earnings as determined each year by the Public Retirement Systems' Actuarial Committee. However, subject to certain restrictions, the board of trustees may maintain the employer contribution rate for the next fiscal year at the same rate as the current year if the rate determined by the Public Retirement Systems' Actuarial Committee for the next fiscal year is less than the rate for the current year.

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each municipality. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

B. Municipal Police Employees Retirement System of Louisiana (System) - All full-time police department employees engaged in law enforcement may participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 per cent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

State statute requires covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 11 - EMPLOYEE RETIREMENT CONTINUED

C. Firefighters Retirement System of Louisiana - Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1990, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 per cent of their final-average salary for each year of creditable service, not to exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 39 consecutive or joined months that produce the highest average.

Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

State statute requires covered employees to contribute a percentage of their salaries to the System. Employer contributions are determined annually based on results of the valuation of the prior fiscal year with adjustments for any dedicated tax monies or appropriated funds.

The following provides certain disclosures for the municipality and the retirement systems that are required by GASB Codification Section P20-129.

	<u>YEAR ENDED JUNE 30, 2018</u>					
	<u>%</u>	<u>MUNICIPAL</u>	<u>%</u>	<u>POLICE</u>	<u>%</u>	<u>FIREFIGHTERS</u>
Total Current Year Payroll	-	\$ 1,268,443.20	-	\$ 613,846.66	-	\$ 89,707.66
Total Current Year						
Wages		\$ 920,453.00		\$ 55,266.65		\$ 81,883.72
Supplemental Pay		.00		9,000.00		9,000.00
Total		<u>\$ 920,453.00</u>		<u>\$ 64,266.65</u>		<u>\$ 90,883.72</u>
Contributions:						
Required by statute:						
Employees	9.50%	\$ 87,443.00	10.00%	\$ 6,426.00	10.00%	\$ 9,088.37
Employer	22.75%	209,403.00	31.75%	20,405.41	29.25%	24,828.49
Total		<u>\$ 296,846.00</u>		<u>\$ 26,831.41</u>		<u>\$ 33,916.86</u>

NOTE # 12 - RELATED PARTY TRANSACTIONS

The Town of Farmerville did not have any related party transactions during the fiscal year ended June 30, 2018.

NOTE # 13 - LEGAL COMPLIANCE - BUDGET

The budget for the year ended June 30, 2018 was adopted in June 2016 and revised June 2018. The budgets were prepared based on generally accepted accounting principles (GAAP), except depreciation is not budgeted. Budgets were not prepared for the Volunteer Fire Department or the Farmerville Fire District funds. The majority of the Fire District Funds are included with the Fire Department budgets. Budgets are adopted as totals rather than line items

<u>GOVERNMENTAL BUDGET</u>		<u>INCOME</u>	<u>EQUITY</u>	<u>EXPENSE</u>	<u>TOTAL</u>
General Fund	- Budget	\$ 1,316,750.00	\$.00	\$ 1,288,760.00	\$ 27,990.00
	- Actual	1,332,287.20	.00	1,253,798.98	78,488.22
Fire Department	- Budget	538,600.00	15,000.00	536,800.00	16,800.00
	- Actual	548,310.55	.00	546,419.71	1,890.84
Police Department	- Budget	979,400.00	.00	978,850.00	550.00
	- Actual	909,954.49	18,426.41	928,380.90	.00
Special Revenue Sales Tax	- Budget	2,111,878.16	150,000.00	2,011,400.00	250,478.16
	- Actual	1,634,702.66	421,160.39	2,055,863.05	.00
Special Revenue Recreation	- Budget	547,500.00	25,000.00	543,550.00	28,950.00
	- Actual	525,332.78	.00	485,249.77	40,083.01

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 13 - LEGAL COMPLIANCE - BUDGET CONTINUED

<u>TOTAL GOVERNMENTAL BUDGET</u>	<u>INCOME</u>	<u>EQUITY</u>	<u>EXPENSE</u>	<u>TOTAL</u>
Total Budget	\$ 5,494,128.16	\$ 190,000.00	\$ 5,359,360.00	\$ 324,678.16
Total Actual	<u>4,950,587.68</u>	<u>439,586.80</u>	<u>5,269,712.41</u>	<u>120,462.07</u>
Difference	<u>\$ (543,540.48)</u>	<u>\$ 319,586.80</u>	<u>\$ 89,647.59</u>	<u>\$ (134,306.09)</u>

<u>TOTAL PROPRIETARY FUNDS BUDGET</u>	<u>INCOME</u>	<u>EQUITY</u>	<u>EXPENSE</u>	<u>TOTAL</u>
Water Department - Budget	\$ 1,497,600.00	\$.00	\$ 1,543,240.00	\$ (45,640.00)
- Actual	1,477,884.88	.00	1,328,145.16	149,739.72
Sewer Department - Budget	\$ 511,000.00	\$.00	\$ 509,022.50	\$ 1,977.50
- Actual	731,975.93	.00	436,242.71	295,733.22
Total Budget	\$ 2,008,600.00	\$.00	\$ 2,052,262.50	\$ (43,662.50)
Total Actual	<u>2,209,860.81</u>	<u>.00</u>	<u>1,764,387.87</u>	<u>445,472.94</u>
Difference	<u>\$ 201,260.81</u>	<u>\$.00</u>	<u>\$ 287,874.63</u>	<u>\$ 411,810.44</u>

The water and sewer department budget did not include the expenses for depreciation or GASB 68 transactions. The amount of \$464,773.91 was reduced from the actual expenses of the water fund while the sewer fund actual was reduced by \$161,580.960. The capital projects funds for sewer are accounted for in the Sewer Fund.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Town Clerk, with inputs from the Mayor and all department heads, prepares the proposed budget information for the general and major special revenue funds. Once reviewed and approved by the Town Clerk and Mayor, the budgets for each fiscal year are submitted to the Town Council for approval. This is done no later than fifteen days prior to the Town Council meeting in June each year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after the publication of the call for the hearing.
4. After holding the public hearing and completion of all actions necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Town Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles, (GAAP) except as stated above. Budgeted amounts are as originally adopted or as amended by Town Council.

NOTE # 14 - ON-BEHALF PAYMENTS

The Town's employees for the police and fire department receive supplement pay from the State of Louisiana. In accordance with GASB Statement 24, the Town has recorded revenues and expenditures for these payments in the General Fund.

NOTE # 15 - SUMMARY DISCLOSURES OF SIGNIFICANT CONTINGENCIES

At June 30, 2018 the Town of Farmerville did not have a significant contingencies, the final review as made at the audit committee meeting on February 7, 2019.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 16 - PROPRIETARY FUND SEGMENT INFORMATION

The Town maintains one Enterprise Fund which provides water and sewer services. Segment information for the year ended June 30, 2018 is as follows:

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
Current Assets	\$ 911,197.52	\$ 114,171.61	\$ 1,025,369.13
Non-Current Assets	464,572.68	98,562.61	563,135.29
Capital Assets, Net	7,035,404.31	4,488,862.79	11,524,267.10
Deferred Outflows of Resources	<u>315,480.00</u>	<u>87,274.00</u>	<u>402,754.00</u>
Total Assets and Deferred Outflows	<u>\$ 8,726,654.51</u>	<u>\$ 4,788,871.01</u>	<u>\$ 13,515,525.52</u>
Current Liabilities	\$ 282,133.28	\$ 131,714.57	\$ 413,847.85
Long-Term Liabilities	3,261,411.47	455,691.13	3,717,102.60
Deferred Inflows of Resources	<u>21,009.00</u>	<u>5,812.00</u>	<u>26,821.00</u>
Total Net Liabilities and Deferred Inflows	<u>\$ 3,564,553.75</u>	<u>\$ 593,217.70</u>	<u>\$ 4,157,771.45</u>
Invested in Capital Assets			
Net of Related Debt	\$ 4,827,841.46	\$ 4,197,666.54	\$ 9,025,508.00
Restricted	257,775.78	98,562.61	356,338.39
Unrestricted	<u>76,483.52</u>	<u>(100,575.84)</u>	<u>(24,092.32)</u>
Total Net Position	<u>\$ 5,162,100.76</u>	<u>\$ 4,195,653.31</u>	<u>\$ 9,357,754.07</u>
Operating Revenues:			
Water Sales and Service	\$ 1,467,879.83	\$.00	\$ 1,467,879.83
Sewer Sales and Service	<u>.00</u>	<u>546,380.48</u>	<u>546,380.48</u>
Total Operating Revenues	<u>\$ 1,467,879.83</u>	<u>\$ 546,380.48</u>	<u>\$ 2,014,260.31</u>
Operating Expenses	\$ 1,319,401.64	\$ 412,711.46	\$ 1,732,113.10
Depreciation	402,926.91	169,848.96	572,775.87
Operating (Losses)	<u>\$ (254,448.72)</u>	<u>\$ (36,179.94)</u>	<u>\$ (290,628.66)</u>
Non-Operating Revenue/Expense	(31,285.47)	169,079.57	137,794.10
Transfers	<u>(29,300.00)</u>	<u>.00</u>	<u>(29,300.00)</u>
Change in Net Position	<u>\$ (315,034.19)</u>	<u>\$ 132,899.63</u>	<u>\$ (182,134.56)</u>
Net Position - Beginning	<u>5,477,134.95</u>	<u>4,062,753.68</u>	<u>9,539,888.63</u>
Net Position - Ending	<u>\$ 5,162,100.76</u>	<u>\$ 4,195,653.31</u>	<u>\$ 9,357,754.07</u>

NOTE # 17 - STATEMENT OF CASH FLOWS FOR PROPRIETARY FUNDS

For purposes of this Statement of Cash Flows, for proprietary fund types, all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased are considered to be cash equivalents. The cash and cash equivalents as stated on the Statement of Cash Flows is as follows:

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
Unrestricted	\$ 649,429.77	\$ 48,026.19	\$ 697,455.96
Restricted	464,572.68	98,562.61	563,135.29
Totals	<u>\$ 1,114,002.45</u>	<u>\$ 146,588.80</u>	<u>\$ 1,260,591.25</u>

The segment information on the Statement of Cash Flows is as follows:

Cash Flows from Operating Activities	\$ 122,705.69	\$ 120,766.90	\$ 213,472.59
Cash Flows from Non-Capital Financing Activities	14,746.83	(36,338.55)	8 8,408.28
Cash Flows from Capital and Related Financing Activities	(266,231.82)	(112,690.13)	(378,921.95)
Cash Flows from Investing Activities	<u>9,305.05</u>	<u>1,252.63</u>	<u>10,557.68</u>
Net Increase (Decrease in Cash and Cash Equivalents	<u>\$ (119,474.25)</u>	<u>\$ (27,009.15)</u>	<u>\$ (146,483.40)</u>

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 17 - STATEMENT OF CASH FLOWS FOR PROPRIETARY FUNDS CONTINUED

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
Cash and Cash Equivalents - July 1	\$ 1,233,825.91	\$ 173,597.95	\$ 1,407,423.86
Adjustments to July 1 Cash and Cash Equivalents	<u>(349.21)</u>	<u>.00</u>	<u>(349.21)</u>
Cash and Cash Equivalents - June 30	<u>\$ 1,114,002.45</u>	<u>\$ 146,588.80</u>	<u>\$ 1,260,591.25</u>

NOTE # 18 - ECONOMIC DEPENDENCY

A large portion of the increase/decrease in water and garbage revenues are due to the agreement with the Poultry Processing Plant.

NOTE # 19 - LEGAL ACTION

The Town's attorney advises us that the Town has one pending law suit: Nolan Carmouche vs. Shell Oil Co. (Farmerville Water System Iberville Parish, 18JDC). Plaintiff alleges he has silica related condition, and is suing 541 defendants. Plaintiff named Farmerville Water System as a defendant which does not exist as an entity. Exceptions have been filed and are set for hearing March, 2019. The attorney does not believe municipalities who contracted to have their tanks painted, which requires sand blasting will be found to be liable to plaintiff for his alleged job related condition.

NOTE # 20 - RISK MANAGEMENT

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year. There were no claims that exceeded insurance coverage in the prior year.

NOTE # 21 - CAPITAL PROJECTS FUND

During 2018, the capital projects fund was consolidated into the Sales Tax Fund.

NOTE # 22 - POST EMPLOYMENT BENEFITS

The Town of Farmerville provides continuing employee benefits for its employees who retired with the State Municipal Retirement System, the Police Retirement System and the Fire Retirement System. The Town of Farmerville provides health insurance through the Louisiana Municipal Risk Management Agency, II for each employee. Family coverage is available, but not paid by the Town. The Town is also providing life insurance and dental insurance for retirees.

The Town records the cost of these benefits as expenditures on a monthly basis. For the year ended June 30, 2018, the total cost of the benefit to employees was \$535,098.00. As of June 30, 2018 the Town had no retiree benefits payable. These premiums are financed on a "pay-as-you-go" basis.

The Town was required to implement Governmental Accounting Standards Board Statement No. 45 entitled "Accounting and Financial Reporting by Employers for Post Employment Benefits other than Pensions" (GASB 45). The major change under GASB 45 is to attribute the cost of post retirement benefits to the time which the employee is working for the employer. This standard does not require the funding of these benefits, but it does require recognizing the liability and expense in the financial statements.

Plan Description. The Town of Farmerville medical and dental benefits are provided and made available to employees upon actual retirement. These benefits terminate at age 65.

The employees are covered by a retirement system whose retirement eligibility provisions are as follows:

The Town is the Municipal Employees Retirement System of Louisiana. The system is composed of two distinct plans. Plan A and B with separate assets and benefit provisions. The employees were members of Plan B, which has a 30 years service and retirement of any age after 30 years. The Town changed to Plan A in July 2002, which has 25 years of service or 10 years at age 60. The Fire and Police Retirement has 25 years of service at any age, 20 years at age 50 and 12 years at age 55. The employees do not contribute to the post employment benefits costs.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 22 - POST EMPLOYMENT BENEFITS CONTINUED

Funding Policy. The Town of Farmerville recognized the cost of providing post employment medical and dental benefits as an expense when the benefit premiums were due and thus financed the cost of the post employment benefits on a pay-as-you-go basis. Effective with the fiscal year beginning June 1, 2009, the Town of Farmerville is required to implement the Government Accounting Standards Board Statement Number 45, Accounting and Financial Reporting by Employers for Post Employment Benefits other than pensions (GASB45).

The Town had not implemented GASB 45 until June 30, 2012. The previous year required amounts were implemented in 2012.

Annual Required Contribution. The Town of Farmerville's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The required contribution is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total Annual Required Contribution for the fiscal year beginning July 1, 2018 is \$51,640.00 as set forth below.

	MEDICAL		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Normal Cost	\$ 15,438.00	\$ 6,346.00	\$ 21,784.00
30-Year UAL Amortization Amount	21,159.00	8,697.00	29,856.00
Annual Required Contribution (ARC)	\$ 36,597.00	\$ 15,043.00	\$ 51,640.00

Net Post-employment Benefit Obligation (Asset). The table below shows the Town of Farmerville's net Other Post-employment Benefit (OPEB) Obligation (Asset) for the fiscal year ended June 30, 2018.

	MEDICAL		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Beginning Net OPEB Obligation (Asset) July 1, 2017	\$ 670,938.00	\$ 275,779.00	\$ 946,717.00
Annual Required Contributions	\$ 36,599.00	\$ 15,041.00	\$ 51,640.00
Interest on Net OPEB Obligation (Asset)	23,270.00	9,563.00	32,833.00
ARC Adjustment	(36,147.00)	(14,857.00)	(51,004.00)
OPEB Cost	\$ 23,722.00	\$ 9,747.00	\$ 33,469.00
Current Year Retirement Premium			
Change in Net OPEB Obligation	\$ (22,734.00)	\$ (7,227.00)	\$ (29,961.00)
Ending Net OPEB Obligation (Asset) June 30, 2018	\$ 671,926.00	\$ 278,299.00	\$ 950,225.00

Funded Status and Funding Progress. In the fiscal year ending June 30, 2016, the Town of Farmerville made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of June 30, 2016, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$546,717 which is defined as that portion, as determined by a particular actuarial cost method (the Town of Farmerville used the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses, which is not provided by normal cost. Since the plan was not funded for all fiscal years, the entire actuarial accrued liability of \$950,225 was unfunded.

Actuarial Accrued Liability (AAL)	\$ 535,098.00
Actuarial Value of Plan Assets	
Unfunded Act. Accrued Liabilities (UAAL)	\$ 535,098.00
Funded Ratio (Act. Val. Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 1,151,452.00
UAAL as a Percentage of Covered Payroll	2.34%

Turnover Rate. The age-related turnover rates, were based on the percentage from GASB pronouncement tables, based on the age of the employee.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 22 - POST EMPLOYMENT BENEFITS CONTINUED

Post employment Benefit Plan Eligibility Requirements. The post retirements benefits are limited to the period from retirement until the employee qualifies for Medicare benefits at age 65. The benefits are payable based on the Municipal Retirement System retirement dates. See above note on Plan A and B retirement dates.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). The Town of Farmerville has not funded the post retirement benefits.

Health Care Cost Trend Rate. The expected rate of increase in medical cost was used at the increased rate of insurance premiums at June 30, 2016.

Mortality Rate. The calculation did not use a mortality rate since the post retirement benefits terminate at age 65.

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. The medical rates provided are actual rates for active and retired before Medicare eligibility, so we have estimated the rates for retirees before Medicare as 100% of the actual rates for the retiree portion of the coverage (not dependents) for retirees until Medicare eligibility. Coverage ceases upon Medicare eligibility at age 65.

NOTE # 23 - SUBSEQUENT EVENTS

These events are for the period after June 30, 2018 until February 7, 2019.
The Town received a \$548,861 sewer system rehabilitation grant from LCDBG. The project was completed after year end.
The Town entered into a lease for a new garbage truck.
The Town purchased a new vehicle for the mayor.

NOTE # 24 - FUND CHANGES AND FUND BALANCES

Amounts for specific purposes by fund and fund balance classifications for the year ended June 30, 2018 are as follows:

<u>CLASSIFICATION/FUND</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
<u>NON-SPENDABLE</u>		
General Fund	Prepaid Items	\$ 21,605.00
Sales Tax - Recreation	Prepaid Items	9,693.00
Fire Department	Prepaid Items	27,905.00
Police Department	Prepaid Items	31,304.00
Sales Tax	Prepaid Items	21,806.00
<u>RESTRICTED</u>		
Debt Service		
2012 Sales Tax	Debt Service	111,059.56
Bonds	Debt Service	46,734.43
<u>COMMITTED</u>		
None		.00
<u>ASSIGNED</u>		
Farmerville Fire Department	Fire Department	15,000.00
Sales Tax Fund	Sales Tax	150,000.00

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 24 - FUND CHANGES AND FUND BALANCES CONTINUED

<u>CLASSIFICATION/FUND</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
<u>UNASSIGNED</u>		
General Fund		1,905,991.76
Sales Tax Fund		338,803.04
Farmerville Volunteer Fire Department	Fire Department	36,244.16
Farmerville Area Fire Protection District	Fire Department	4,077.37
Sales Tax Fund - 2002 Sales Tax	Streets & Recreation	<u>479,743.05</u>
<u>TOTAL FUND BALANCE</u>		<u>\$ 3,199,966.37</u>

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated (2) identify the portion of the fund balance that is not appropriate for future expenditures.

NOTE # 25 - DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES UNDER GASB 65

The *Governmental Accounting Standards Board (GASB)* released Concepts Statement No. 4 *Elements of Financial Statements* which provides a framework for determining the nature of a financial accounting or reporting issues. Since the release of the framework, GASB has been looking at the assets and liabilities on the balance sheet to determine if they should continue to be reflected as such. GASB has concluded that, in order to improve financial reporting, there are assets and liabilities that no longer should be reflected as assets and liabilities. These changes are included in GASB Statement No. 65, *Items Previously Reported as Asset and Liabilities*.

While GASB Statement No. 65 covers such transactions as leases, nonexchange transactions, and sales of future revenues, the most common impact will be on debt issuance costs (other than prepaid insurance), lending and mortgage banking activities. This removes the deferral of such costs and activities and will require the governmental entity to expense the costs in the period incurred, except for certain defined transactions. The pronouncement requires the transaction to be reflected as deferred inflows of resources or deferred outflows of resources.

The most common deferred inflows and outflows of resources are gain/loss on debt refunding and imposed nonexchange transactions, such as when taxes are levied for property taxes and received or recognized as a receivable. Government-mandated and voluntary exchange transactions will be reported as an inflow or outflow in the period unless the resources are provided or received in advance of time requirements being met.

GASB Statement No. 65 is specifically limited to the transactions provided in the pronouncement and the concepts and reasoning for classification of said assets and liabilities should not be applied to other transactions.

GASB has also issued GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* which sets forth the financial presentation of deferred inflows and outflows. GASB Statement No. 63 provides guidance on the presentation of deferred inflows and outflows of resources. Effectively, deferred inflows and outflows will be reflected below total assets and total liabilities and the balance sheet will be renamed to Statement of Net Position. The change in geography of the deferred inflows and outflows will allow the readers to see the impact the deferred resources have on the financial statements.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 26 - GASB 68 - MUNICIPAL RETIREMENT SYSTEM

SCHEDULE OF EMPLOYER ALLOCATIONS

	<u>FIREFIGHTERS</u>		<u>POLICE - MPERS</u>		<u>GENERAL - MERS</u>		<u>TOTALS</u>
	<u>PROJECTED REQUIRED EMPLOYER CONTRIBUTION</u>	<u>EMPLOYER ALLOCATION PERCENTAGE</u>	<u>PROJECTED REQUIRED EMPLOYER CONTRIBUTION</u>	<u>EMPLOYER ALLOCATION PERCENTAGE</u>	<u>PROJECTED REQUIRED EMPLOYER CONTRIBUTION</u>	<u>EMPLOYER ALLOCATION PERCENTAGE</u>	
June 30, 2013	<u>\$ 32,360.00</u>	<u>0.0390332%</u>	<u>\$ 24,430.00</u>	<u>0.021912%</u>	<u>\$ 208,508.00</u>	<u>0.585904%</u>	<u>\$ 265,298.00</u>
June 30, 2014	<u>\$ 30,844.00</u>	<u>0.0391470%</u>	<u>\$ 23,844.00</u>	<u>0.022895%</u>	<u>\$ 187,825.00</u>	<u>0.559556%</u>	<u>\$ 242,513.00</u>
June 30, 2015	<u>\$ 24,809.00</u>	<u>0.0399100%</u>	<u>\$ 19,029.00</u>	<u>0.022584%</u>	<u>\$ 197,946.00</u>	<u>0.581133%</u>	<u>\$ 241,783.00</u>
June 30, 2016	<u>\$ 24,903.00</u>	<u>0.0405300%</u>	<u>\$ 18,480.00</u>	<u>0.022363%</u>	<u>\$ 196,800.00</u>	<u>0.557818%</u>	<u>\$ 240,183.00</u>
June 30, 2017	<u>\$ 22,072.00</u>	<u>0.0341230%</u>	<u>\$ 20,405.00</u>	<u>0.021528%</u>	<u>\$ 232,671.00</u>	<u>0.563156%</u>	<u>\$ 275,148.00</u>

SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

	<u>FIREFIGHTER NET PENSION LIABILITY</u>	<u>POLICE - MPERS NET PENSION LIABILITY</u>	<u>GENERAL -MERS NET PENSION LIABILITY</u>	<u>TOTALS</u>
June 30, 2013	<u>\$ 206,875.00</u>	<u>\$ 175,042.00</u>	<u>\$ 1,815,956.00</u>	<u>\$ 2,197,873.00</u>
June 30, 2014	<u>\$ 174,201.00</u>	<u>\$ 143,233.00</u>	<u>\$ 1,436,069.00</u>	<u>\$ 1,753,503.00</u>
June 30, 2015	<u>\$ 215,399.00</u>	<u>\$ 176,922.00</u>	<u>\$ 2,075,898.00</u>	<u>\$ 2,468,219.00</u>
June 30, 2016	<u>\$ 265,103.00</u>	<u>\$ 209,604.00</u>	<u>\$ 2,286,335.00</u>	<u>\$ 2,761,042.00</u>
June 30, 2017	<u>\$ 214,503.00</u>	<u>\$ 187,949.00</u>	<u>\$ 2,355,919.00</u>	<u>\$ 2,758,371.00</u>

PENSION LIABILITIES, PENSION EXPENSE AND DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2018 the Town of Farmerville reported a total of \$2,758,371.00 for its proportionate share of the net pension liability of MERS, MPERS and Firefighter combined. The net pension liability was measured as of June 30, 2017 for all plans. The total pension liability was used to calculate the net pension liability as determined by actuarial valuations as of June 30, 2017. The Town's portion of the net pension liability was based on projections of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating municipalities, actuarially determined. At June 30, 2018, the projected required employer contribution of the Town's proportion of MERS was \$232,671.00, .563156%, MPERS was \$20,405.00, .021528%, and the Firefighter's was \$22,072.00 or .034123%.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 26 - GASB 68 - MUNICIPAL RETIREMENT SYSTEM CONTINUED

For the year ended June 30, 2017, the Town recognized pension expense for MERS \$420,979.00, for MPERS \$26,305.00 and \$37,808.00 Firemen Pension Fund. (MERS - Municipal Employees Retirement System, MPERS - Municipal Police Employees Retirement System)

At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>DEFERRED OUTFLOWS OF RESOURCES</u>	<u>FIREFIGHTERS</u>	<u>POLICE - MPERS</u>	<u>GENERAL -MERS</u>	<u>TOTALS</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	\$ (18,602.00)	\$ 8,228.00	\$ 475,075.00	\$ 464,701.00
Changes of Assumptions	6,862.00	13,374.00	39,393.00	59,629.00
Changes in Proportion	.00	1,231.00	562,991.00	564,222.00
Total Deferred Outflows of Resources	<u>\$ (11,740.00)</u>	<u>\$ 22,833.00</u>	<u>\$ 1,077,459.00</u>	<u>\$ 1,088,552.00</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Difference Between Expected and Actual Experience	\$ 2,273.00	\$ 1,445.00	\$ 71,752.00	\$ 75,470.00
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	21,774.00	.00	.00	21,774.00
Changes of Assumptions	(17.00)	.00	.00	(17.00)
Changes in Proportion	13,778.00	7,648.00	.00	21,426.00
Total Deferred Inflows of Resources	<u>\$ 37,808.00</u>	<u>\$ 6,203.00</u>	<u>\$ 71,752.00</u>	<u>\$ 115,763.00</u>
<u>PENSION EXPENSE (BENEFIT)</u>				
Proportionate Share of Plan Pension Expense	\$ 37,078.00	\$ 26,949.00	\$ 411,446.00	\$ 475,473.00
Net Amortization of Deferred Amounts from Changes In Proportion	.00	(644.00)	9,133.00	8,489.00
Total Employer Pension Expense (Benefit)	<u>\$ 37,078.00</u>	<u>\$ 26,305.00</u>	<u>\$ 420,579.00</u>	<u>\$ 483,962.00</u>

SCHEDULE OF EMPLOYERS PROPORTIONATE SHARE OF CONTRIBUTIONS AND NON-EMPLOYER CONTRIBUTIONS

	<u>FIREFIGHTERS</u>	<u>POLICE - MPERS</u>	<u>GENERAL -MERS</u>	<u>TOTALS</u>
<u>Proportionate Share of Employer Contributions</u>	<u>\$ 22,114.00</u>	<u>\$ 26,949.00</u>	<u>\$ 233,601.00</u>	<u>\$ 282,664.00</u>
<u>Proportionate Share of Non-Employer Contributions</u>	<u>\$ 9,472.00</u>	<u>\$ (644.00)</u>	<u>\$ 34,663.00</u>	<u>\$ 43,491.00</u>

SCHEDULE OF AMORTIZATION - JUNE 30, 2017 - JUNE 30, 2022

June 30, 2017	\$.00	\$ 5,326.00	\$ 687,211.00	\$ 692,537.00
June 30, 2018	.00	9,151.00	194,114.00	203,265.00
June 30, 2019	.00	5,117.00	103,078.00	108,195.00
June 30, 2020	.00	(4,409.00)	21,304.00	16,895.00
June 30, 2021	.00	.00	.00	0.00
June 30, 2022	.00	.00	.00	0.00
<u>TOTALS</u>	<u>\$.00</u>	<u>\$ 15,185.00</u>	<u>\$ 1,005,707.00</u>	<u>\$ 1,020,892.00</u>

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE # 26 - GASB 68 - MUNICIPAL RETIREMENT SYSTEM CONTINUED

ACTUARIAL ASSUMPTIONS

A summary of the significant actuarial methods and assumptions used in determining the total pension liability as of June 30, 2014 are as follows:

<u>INFLATION</u>	<u>MPERS</u>	<u>FIREFIGHTERS</u>	<u>MERS</u>
Salary Increase	2.70% Inflation	2.775% Inflation	2.775% Inflation,
Investment Rate of Return	7.325% Expected Normal Rate of Return	7.4% Net of Investment Expense	7.4% Net of Investment Expense

For MERS mortality rates were based on RP-2000 Employee Table for active members; RP 2000 Healthy Annuitant Table for healthy annuitants; and RP2000 Disabled Lives Mortality Tables for disabled annuitants. For MPERS, the actuarial assumptions used in the June 30, 2017 valuation was based on the results of an experience study for the period July 2009 and June 30, 2014.

Discount Rate

The discount rate used to measure the total pension liability was 7.75% for MERS and 7.5% for MPERS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the system's actuaries. Based on those assumptions, the system's fiduciary net pension was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of returns on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following, presents the Town's proportionate share of the net pension liability calculated using the current discount rate, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2017.

SCHEDULE OF NET PENSION LIABILITY SENSITIVITY TO CHANGE DISCOUNT RATE

	<u>FIREFIGHTERS</u>		<u>POLICE -MPERS</u>		<u>GENERAL -MERS</u>	
	<u>CHANGES IN DISCOUNT RATE</u>		<u>CHANGES IN DISCOUNT RATE</u>		<u>CHANGES IN DISCOUNT RATE</u>	
	1% DECREASE	1% INCREASE	1% DECREASE	1% INCREASE	1% DECREASE	1% INCREASE
	6.50%	8.50%	6.50%	8.50%	6.50%	8.50%
June 30, 2015	<u>\$ 305,564.00</u>	<u>\$ 139,605.00</u>	<u>\$ 245,991.00</u>	<u>\$ 119,044.00</u>	<u>\$ 2,716,718.00</u>	<u>\$ 1,529,911.00</u>
June 30, 2016	<u>\$ 361,181.00</u>	<u>\$ 184,303.00</u>	<u>\$ 279,421.00</u>	<u>\$ 150,987.00</u>	<u>\$ 2,906,357.00</u>	<u>\$ 1,757,266.00</u>
June 30, 2017	<u>\$ 308,233.00</u>	<u>\$ 135,710.00</u>	<u>\$ 259,669.00</u>	<u>\$ 127,780.00</u>	<u>\$ 3,002,225.00</u>	<u>\$ 1,804,639.00</u>

The above information on the retirement accounts are found on the following Louisiana internet sites:

- 1) Louisiana Firefighters Retirement System
- 2) Louisiana Municipal Police Employees Retirement System
- 3) MPERS (Municipal Employees Retirement System of Louisiana)

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE #27 - 2015 THEFT UPDATE

In 2015, one of the Town's cashier stole \$26,086.94 in funds from the Town. The cashier pleaded guilty to the charges and agreed to pay the Town back over a five year period.

A recap of balance due from Mrs. Meeking as of June 30, 2017 is as follows:

<u>DEPARTMENTS</u>	<u>POLICE</u>	<u>WATER</u>	<u>OTHER</u>	<u>TOTAL</u>
ORIGINAL AMOUNTS	\$ 15,276.50	\$ 7,210.44	\$ 3,600.00	\$ 26,086.94
 <u>PAYMENTS</u>				
2016	(1,383.51)	.00	.00	(1,383.51)
2017	(3,694.25)	.00	.00	(3,694.25)
2018	(4,887.00)	.00	.00	(4,887.00)
<u>BALANCE DUE</u>	<u>\$ 5,311.74</u>	<u>\$ 7,210.44</u>	<u>\$ 3,600.00</u>	<u>\$ 16,122.18</u>

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
GENERAL FUND

STATEMENT A

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<u>REVENUES</u>	<u>ORIGINAL</u> <u>BUDGET</u>	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u> <u>YEAR</u> <u>TO DATE</u>	<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>TAXES</u>				
Advalorem - General	\$ 220,000.00	\$ 232,000.00	\$ 235,130.01	\$ 3,130.01
Franchise	195,000.00	205,000.00	212,031.34	7,031.34
Housing Authority in Lieu of Taxes	<u>10,000.00</u>	<u>18,000.00</u>	<u>.00</u>	<u>(18,000.00)</u>
Total Taxes	<u>\$ 425,000.00</u>	<u>\$ 455,000.00</u>	<u>\$ 447,161.35</u>	<u>\$ (7,838.65)</u>
<u>LICENSES AND TAXES</u>				
Alcoholic Beverages	\$ 10,000.00	\$ 8,500.00	\$ 8,645.00	\$ 145.00
Occupational	105,000.00	110,000.00	110,473.67	473.67
Building - Licenses & Permits	12,000.00	12,000.00	14,226.00	2,226.00
Occupational Insurance	90,000.00	100,000.00	105,241.44	5,241.44
Video Bingo	<u>80,000.00</u>	<u>80,000.00</u>	<u>85,593.86</u>	<u>5,593.86</u>
Total Licenses and Taxes	<u>\$ 297,000.00</u>	<u>\$ 310,500.00</u>	<u>\$ 324,179.97</u>	<u>\$ 13,679.97</u>
<u>CHARGES FOR SERVICES</u>				
Garbage Fees	\$ 480,000.00	\$ 475,000.00	\$ 483,469.23	\$ 8,469.23
Zoning Charges	<u>500.00</u>	<u>500.00</u>	<u>200.00</u>	<u>(300.00)</u>
Total Charges for Services	<u>\$ 480,500.00</u>	<u>\$ 475,500.00</u>	<u>\$ 483,669.23</u>	<u>\$ 8,169.23</u>
<u>MISCELLANEOUS</u>				
Condemned Houses	\$ 1,200.00	\$ 1,750.00	\$ 1,750.00	\$.00
Miscellaneous	20,000.00	50,000.00	51,747.99	1,747.99
FEMA Grant - General Fund				
Fees - Farmer's Market	1,200.00	1,400.00	1,512.00	112.00
175 th Anniversary Sponsors	.00	15,000.00	15,184.00	184.00
Interest Income	<u>100.00</u>	<u>100.00</u>	<u>544.88</u>	<u>444.88</u>
Total Miscellaneous	<u>\$ 22,500.00</u>	<u>\$ 68,250.00</u>	<u>\$ 70,738.87</u>	<u>\$ 2,488.87</u>
<u>STATE SOURCES</u>				
State Revenue Sharing	\$ 500.00	\$ 500.00	\$.00	\$ (500.00)
Beer Tax	<u>7,000.00</u>	<u>7,000.00</u>	<u>6,537.78</u>	<u>(462.22)</u>
Total State Sources	<u>\$ 7,500.00</u>	<u>\$ 7,500.00</u>	<u>\$ 6,537.78</u>	<u>\$ (962.22)</u>
<u>TOTAL REVENUE</u>	<u>\$ 1,232,500.00</u>	<u>\$ 1,316,750.00</u>	<u>\$ 1,332,287.20</u>	<u>\$ 15,537.20</u>
<u>EXPENDITURES</u>				
<u>SUMMARY OF EXPENDITURES -</u> <u>BY DEPARTMENT</u>				
<u>General Government</u>				
Administrative	<u>\$ 486,950.00</u>	<u>\$ 531,350.00</u>	<u>\$ 513,147.32</u>	<u>\$ 18,202.68</u>
<u>SUMMARY OF EXPENDITURES -</u> <u>BY FUNCTION</u>				
Sanitation	<u>\$ 526,410.00</u>	<u>\$ 552,410.00</u>	<u>\$ 545,651.66</u>	<u>\$ 6,758.34</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 1,013,360.00</u>	<u>\$ 1,083,760.00</u>	<u>\$ 1,058,798.98</u>	<u>\$ 24,961.02</u>
<u>EXCESS REVENUES OVER</u> <u>EXPENDITURES</u>	<u>\$ 219,140.00</u>	<u>\$ 232,990.00</u>	<u>\$ 273,488.22</u>	<u>\$ 40,498.22</u>

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

STATEMENT A
CONTINUED

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL YEAR TO DATE</u>	<u>FAVORABLE (UNFAVORABLE)</u>
<u>SUMMARY OF OTHER FINANCING</u>				
<u>RECEIPTS (USES)</u>				
Transfers In				
Sales Taxes	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$.00
Farmerville Fire Department	5,000.00	5,000.00	5,000.00	.00
Water Department	30,000.00	30,000.00	30,000.00	.00
Recreation Department	10,000.00	10,000.00	10,000.00	.00
Police Department	<u>(280,000.00)</u>	<u>(280,000.00)</u>	<u>(270,000.00)</u>	<u>10,000.00</u>
Total Summary of Other Financing				
Receipts (Uses)	<u>\$ (205,000.00)</u>	<u>\$ (205,000.00)</u>	<u>\$ (195,000.00)</u>	<u>\$ 10,000.00</u>
 <u>NET CHANGES IN FUND BALANCE</u>	 \$ 14,140.00	 \$ 27,990.00	 \$ 78,488.22	 <u>\$ 50,498.22</u>
 <u>FUND BALANCE - JULY 1</u>	 <u>624,711.95</u>	 <u>624,711.95</u>	 <u>624,711.95</u>	
 <u>FUND BALANCE - JUNE 30</u>	 <u>\$ 638,851.95</u>	 <u>\$ 652,701.95</u>	 <u>\$ 703,200.17</u>	

The notes are an integral part of these statements. See accompanying notes and auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
GENERAL FUND - FIRE DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

STATEMENT A-1

<u>REVENUES</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL YEAR TO DATE</u>	<u>FAVORABLE (UNFAVORABLE)</u>
<u>LOCAL SOURCES</u>				
<u>TAXES</u>				
Advalorem - Fire Department	\$ 260,000.00	\$ 268,000.00	\$ 271,788.82	\$ 3,788.82
Special Millage	198,000.00	210,000.00	211,422.21	1,422.21
Total Taxes	<u>\$ 458,000.00</u>	<u>\$ 478,000.00</u>	<u>\$ 483,211.03</u>	<u>\$ 5,211.03</u>
<u>MISCELLANEOUS</u>				
Retained Earnings	\$.00	\$ 15,000.00	\$.00	\$ (15,000.00)
Burn Permits	100.00	100.00	150.00	50.00
Interest Income	6,000.00	10,000.00	10,632.65	632.65
Total Miscellaneous	<u>\$ 6,100.00</u>	<u>\$ 25,100.00</u>	<u>\$ 10,782.65</u>	<u>\$ (14,317.35)</u>
<u>STATE SOURCES</u>				
Supplemental Pay	\$ 12,000.00	\$ 12,000.00	\$ 8,000.00	\$ (4,000.00)
State 2% Insurance Fund	21,500.00	23,500.00	21,230.68	(2,269.32)
Total State Sources	<u>\$ 33,500.00</u>	<u>\$ 35,500.00</u>	<u>\$ 29,230.68</u>	<u>\$ (6,269.32)</u>
 <u>TOTAL REVENUE</u>	 <u>\$ 497,600.00</u>	 <u>\$ 538,600.00</u>	 <u>\$ 523,224.36</u>	 <u>\$ (15,375.64)</u>
<u>EXPENDITURES</u>				
Salaries and Expenditures	\$ 90,000.00	\$ 93,000.00	\$ 93,318.33	\$ (318.33)
Salaries - Supplementary Pay	12,000.00	12,000.00	8,000.00	4,000.00
Employee Benefits Expenditures				
Dental Insurance	1,000.00	1,000.00	497.46	502.54
Medicare Tax	1,500.00	1,500.00	1,461.97	38.03
Retirement	27,500.00	27,500.00	24,324.71	3,175.29
FICA	6,400.00	6,400.00	6,186.67	213.33
Unemployment	200.00	200.00	180.57	19.43
Hospital Insurance	16,800.00	16,800.00	17,153.12	(353.12)
Workers Compensation Insurance	6,000.00	6,000.00	5,469.45	530.55
Miscellaneous Expense	1,000.00	1,000.00	598.70	401.30
Employee Drug Test	400.00	400.00	165.00	235.00
Uniforms	6,000.00	6,000.00	5,039.20	960.80
Advertising	1,500.00	1,500.00	72.00	1,428.00
Administrative Fees	5,000.00	5,000.00	147.06	4,852.94
Assets Purchase	.00	215,000.00	269,877.33	(54,877.33)
Audit Cost	4,000.00	3,500.00	3,500.00	.00
Clothing Allowance	.00	.00	8,086.02	(8,086.02)
Computer Expense	1,000.00	1,000.00	857.50	142.50
Dues and Subscriptions	500.00	500.00	140.00	360.00
Fire Equipment Repairs	4,000.00	4,000.00	3,599.12	400.88
Fire Prevention	4,500.00	4,500.00	2,981.91	1,518.09
Fire Station Repairs	5,000.00	5,000.00	4,980.98	19.02
Insurance	36,000.00	36,000.00	33,682.86	2,317.14
Major Purchases	120,000.00	.00	.00	.00
Mileage Reimbursement	10,000.00	9,000.00	.00	9,000.00
Miscellaneous	6,000.00	3,000.00	3,564.67	(564.67)
Office Supplies	2,000.00	2,000.00	2,076.70	(76.70)
Radios	6,500.00	500.00	447.97	52.03
Supplies	20,000.00	18,000.00	17,599.43	400.57

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
GENERAL FUND - FIRE DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET (GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

STATEMENT A-1
CONTINUED

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL YEAR TO DATE</u>	<u>FAVORABLE (UNFAVORABLE)</u>
<u>EXPENDITURES</u>				
Telephone	\$ 3,500.00	\$ 6,000.00	\$ 5,809.05	\$ 190.95
Travel and Training	4,000.00	4,000.00	3,199.85	800.15
Utilities	10,000.00	10,000.00	9,627.24	372.76
Vehicle - Gas and Oil	7,000.00	7,000.00	6,635.26	364.74
Vehicle Repairs and Expense	11,000.00	6,000.00	7,139.58	(1,139.58)
Fire Rebate	21,500.00	23,500.00	.00	23,500.00
Total Expenditures	<u>\$ 451,800.00</u>	<u>\$ 536,800.00</u>	<u>\$ 546,419.71</u>	<u>\$ (9,619.71)</u>
<u>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</u>	<u>\$ 45,800.00</u>	<u>\$ 1,800.00</u>	<u>\$ (23,195.35)</u>	<u>\$ (24,995.35)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers Out:				
Transfer to Fire District	\$ (10,000.00)	\$.00	\$.00	\$.00
Transfer to Volunteer Fire Department	.00	.00	(23,130.62)	(23,130.62)
Transfer to General Fund	.00	.00	(5,000.00)	(5,000.00)
Operating Transfers In:				
Transfers from Volunteer Fire Department	.00	.00	53,216.81	53,216.81
Total Other Financing Sources (Uses)	<u>\$ (10,000.00)</u>	<u>\$.00</u>	<u>\$ 25,086.19</u>	<u>\$ 25,086.19</u>
<u>EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) BEFORE EXTRAORDINARY ITEM</u>	<u>\$ 35,800.00</u>	<u>\$ 1,800.00</u>	<u>\$ 1,890.84</u>	<u>\$ 90.84</u>
<u>FUND BALANCE - JULY 1</u>	<u>1,213,847.26</u>	<u>1,213,847.26</u>	<u>1,213,847.26</u>	
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 1,249,647.26</u>	<u>\$ 1,215,647.26</u>	<u>\$ 1,215,738.10</u>	

The notes are an integral part of these statements. See accompanying notes and auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
GENERAL FUND - POLICE DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET (GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

STATEMENT A-2

<u>REVENUES</u>	<u>ORIGINAL</u>	<u>AMENDED</u>	<u>ACTUAL</u>	<u>FAVORABLE</u>
<u>LOCAL SOURCES</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>YEAR</u>	<u>(UNFAVORABLE)</u>
<u>TAXES</u>			<u>TO DATE</u>	
Sales Taxes	\$ 505,000.00	\$ 505,000.00	\$ 506,794.35	\$ 1,794.35
 <u>CHARGES FOR SERVICES</u>				
Juvenile Court	\$ 1,000.00	\$ 400.00	\$ 328.28	\$ (71.72)
Municipal Court Cost	20,000.00	12,000.00	11,228.44	(771.56)
Accident Report	1,500.00	1,500.00	1,430.00	(70.00)
Drug Task Force	5,000.00	3,000.00	2,728.00	(272.00)
AMS Collection	1,000.00	200.00	349.00	149.00
Total Charges for Services	<u>\$ 28,500.00</u>	<u>\$ 17,100.00</u>	<u>\$ 16,063.72</u>	<u>\$ (1,036.28)</u>
 <u>FINES AND FORFEITS</u>				
DWI Fines	\$ 8,000.00	\$ 5,000.00	\$ 4,411.50	\$ (588.50)
Municipal Court Fines	75,000.00	50,000.00	47,649.25	(2,350.75)
Bench Warrants	3,000.00	4,000.00	3,840.00	(160.00)
Total Fines and Forfeits	<u>\$ 86,000.00</u>	<u>\$ 59,000.00</u>	<u>\$ 55,900.75</u>	<u>\$ (3,099.25)</u>
 <u>MISCELLANEOUS</u>				
Miscellaneous	\$ 1,000.00	\$ 6,000.00	\$ 7,008.00	\$ 1,008.00
Interest Income	200.00	200.00	187.67	(12.33)
Sex Offender Registration	100.00	100.00	.00	(100.00)
Total Miscellaneous	<u>\$ 1,300.00</u>	<u>\$ 6,300.00</u>	<u>\$ 7,195.67</u>	<u>\$ 895.67</u>
 <u>STATE SOURCES</u>				
Grants	\$.00	\$ 20,000.00	\$.00	\$ (20,000.00)
Supplemental Pay State of Louisiana	72,000.00	72,000.00	54,000.00	(18,000.00)
Total State Sources	<u>\$ 72,000.00</u>	<u>\$ 92,000.00</u>	<u>\$ 54,000.00</u>	<u>\$ (38,000.00)</u>
 <u>TOTAL REVENUE</u>	 <u>\$ 692,800.00</u>	 <u>\$ 679,400.00</u>	 <u>\$ 639,954.49</u>	 <u>\$ (39,445.51)</u>
 <u>EXPENDITURES</u>				
Salaries	\$ 550,000.00	\$ 535,000.00	\$ 530,890.92	\$ 4,109.08
Salaries - Supplementary Pay	72,000.00	72,000.00	54,000.00	18,000.00
Employee Benefits Expenditure\				
Dental Insurance	5,000.00	5,000.00	4,770.98	229.02
Medicare Tax	8,800.00	8,500.00	8,763.32	(263.32)
FICA	37,500.00	36,500.00	37,004.71	(504.71)
Retirement	21,000.00	21,000.00	21,119.95	(119.95)
Unemployment	1,500.00	1,500.00	1,048.19	451.81
Hospital Insurance	105,000.00	115,000.00	116,479.29	(1,479.29)
Life Insurance	2,200.00	2,200.00	2,001.00	199.00
Employee Drug Test	800.00	800.00	330.00	470.00
Miscellaneous Employee Expense	1,000.00	1,300.00	1,325.47	(25.47)
Workers Compensation Insurance	20,000.00	19,000.00	18,834.12	165.88
Uniforms	2,000.00	1,000.00	1,096.46	(96.46)
Dog Expense	2,000.00	1,500.00	1,208.40	291.60
Advertising and Filing	500.00	500.00	199.96	300.04
Auditing	3,000.00	3,000.00	3,000.00	.00
Computer Expense	2,000.00	2,000.00	1,360.15	639.85
Dues and Subscriptions	2,000.00	1,000.00	637.45	362.55
Equipment Expense	2,000.00	2,000.00	1,843.61	156.39
Insurance	34,000.00	40,000.00	41,591.22	(1,591.22)

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
GENERAL FUND - POLICE DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET (GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

STATEMENT A-2
CONTINUED

<u>EXPENDITURES</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL YEAR TO DATE</u>	<u>FAVORABLE (UNFAVORABLE)</u>
Office Supplies	\$ 4,000.00	\$ 7,000.00	\$ 6,986.02	\$ 13.98
Travel and Training	4,000.00	4,000.00	4,095.03	(95.03)
Assets Purchases	30,000.00	30,000.00	.00	30,000.00
Building Maintenance	2,000.00	2,000.00	1,521.82	478.18
Miscellaneous	1,000.00	2,000.00	1,733.57	266.43
Telephone	6,000.00	6,000.00	5,771.48	228.52
Supplies	3,000.00	3,000.00	3,157.17	(157.17)
Vehicle - Gas and Oil	25,000.00	25,000.00	25,289.78	(289.78)
Vehicle Repairs	12,000.00	19,000.00	19,529.63	(529.63)
Police Utilities	6,000.00	6,500.00	6,952.98	(452.98)
AMS Collection Expense	500.00	500.00	523.90	(23.90)
Sales Tax Collection Expense	5,050.00	5,050.00	5,314.32	(264.32)
<u>TOTAL EXPENDITURES</u>	<u>\$ 970,850.00</u>	<u>\$ 978,850.00</u>	<u>\$ 928,380.90</u>	<u>\$ 50,469.10</u>
<u>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</u>	<u>\$ (278,050.00)</u>	<u>\$ (299,450.00)</u>	<u>\$ (288,426.41)</u>	<u>\$ 11,023.59</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In:				
Transfer from General Fund	\$ 280,000.00	\$ 300,000.00	\$ 270,000.00	\$ (30,000.00)
<u>EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) BEFORE EXTRAORDINARY ITEM</u>	<u>\$ 1,950.00</u>	<u>\$ 550.00</u>	<u>\$ (18,426.41)</u>	<u>\$ (48,976.41)</u>
<u>FUND BALANCE - JULY 1</u>	<u>101,293.90</u>	<u>101,293.90</u>	<u>101,293.90</u>	
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 103,243.90</u>	<u>\$ 101,843.90</u>	<u>\$ 82,867.49</u>	

The notes are an integral part of these statements. See accompanying notes and auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SPECIAL REVENUES - SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

STATEMENT B

<u>REVENUE</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL YEAR TO DATE</u>	<u>FAVORABLE (UNFAVORABLE)</u>
Sales Tax	\$ 1,010,000.00	\$ 1,010,000.00	\$ 1,013,542.28	\$ 3,542.28
Interest Earned	6,000.00	7,000.00	7,157.63	157.63
State Mowing Contract	13,060.00	13,060.00	13,060.00	.00
Grants	.00	931,818.16	599,273.89	(332,544.27)
TIF Proceeds	70,000.00	70,000.00	.00	(70,000.00)
Miscellaneous Income	80,000.00	80,000.00	1,668.86	(78,331.14)
TOTAL REVENUES	\$ 1,179,060.00	\$ 2,111,878.16	\$ 1,634,702.66	\$ (477,175.50)
 <u>EXPENDITURES</u>				
<u>GENERAL GOVERNMENT</u>				
Salaries	\$ 85,000.00	\$ 83,000.00	\$ 82,122.75	\$ 877.25
Employee Benefits Expenditures				
Medicare Tax	1,300.00	1,300.00	1,123.21	176.79
FICA	5,200.00	5,200.00	4,938.57	261.43
Municipal Retirement	16,600.00	20,000.00	20,043.67	(43.67)
Unemployment	300.00	300.00	166.15	133.85
Hospital Insurance	16,800.00	16,800.00	17,153.12	(353.12)
Dental	1,000.00	1,000.00	745.66	254.34
Miscellaneous Employee Cost	500.00	500.00	540.86	(40.86)
Employee Drug Test	200.00	200.00	110.00	90.00
Uniforms	1,500.00	1,000.00	782.35	217.65
Advertising and Filing	.00	400.00	21.10	378.90
Auditing	4,000.00	4,000.00	4,000.00	.00
Building Maintenance	2,000.00	6,000.00	6,315.84	(315.84)
Computer	6,000.00	6,000.00	5,695.66	304.34
FEMA Projects	.00	1,075,000.00	1,201,935.17	(126,935.17)
Grant Expense	100,000.00	10,000.00	.00	10,000.00
Insurance	12,000.00	10,000.00	9,898.38	101.62
Miscellaneous	.00	.00	.71	(.71)
Office Expenditures	3,000.00	3,000.00	3,255.36	(255.36)
Sales Tax Collection Cost	10,100.00	10,100.00	10,582.19	(482.19)
Shop Supplies	10,000.00	6,000.00	6,171.22	(171.22)
Shop Utilities	3,000.00	3,000.00	3,372.05	(372.05)
TIF Payments	72,000.00	72,000.00	85,916.00	(13,916.00)
Telephone	3,000.00	4,500.00	4,635.57	(135.57)
Travel	4,000.00	3,000.00	2,497.36	502.64
Total General Government	<u>\$ 357,500.00</u>	<u>\$ 1,342,300.00</u>	<u>\$ 1,472,022.95</u>	<u>\$ (129,722.95)</u>
 <u>PRISON LABOR AND EXPENDITURES</u>				
Labor and Expenditures	<u>\$ 3,000.00</u>	<u>\$ 1,500.00</u>	<u>\$ 1,450.10</u>	<u>\$ 49.90</u>
 <u>STREET REPAIRS</u>				
Salaries	\$ 165,000.00	\$ 165,000.00	\$ 159,378.48	\$ 5,621.52
Employee Benefit Expenditures				
Medicare Taxes	2,400.00	2,400.00	2,347.89	52.11
Municipal Retirement	38,000.00	38,000.00	37,122.62	877.38
FICA Taxes	10,300.00	10,300.00	10,039.49	260.51
Unemployment Taxes	500.00	500.00	327.94	172.06
Hospital Insurance	42,000.00	40,000.00	41,482.54	(1,482.54)
Dental	2,000.00	1,000.00	973.48	26.52
Workers Compensation Insurance	21,000.00	16,000.00	15,616.52	383.48
Employee Drug Testing	600.00	600.00	275.00	325.00

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SPECIAL REVENUES - SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

STATEMENT B
CONTINUED

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u> <u>YEAR</u> <u>TO DATE</u>	<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>STREET REPAIRS CONTINUED</u>				
Miscellaneous Employee Expense	\$ 500.00	\$ 500.00	\$ 300.68	\$ 199.32
Uniforms	5,000.00	3,000.00	2,088.26	911.74
Clean City Expense	22,000.00	22,000.00	21,991.23	8.77
Insurance	22,000.00	22,000.00	22,188.83	(188.83)
Major Repairs (Francis Street)	70,000.00	84,500.00	.00	84,500.00
Miscellaneous	10,000.00	15,000.00	15,865.97	(865.97)
Street Improvement/Maintenance	30,000.00	52,000.00	52,635.93	(635.93)
Truck Equipment - Oil and Gas	17,000.00	15,000.00	15,703.80	(703.80)
Truck Equipment Repairs	10,000.00	15,000.00	15,682.2	(682.12)
Utilities	105,000.00	105,000.00	114,273.22	(9,273.22)
USDA Equipment Payment & Funds	25,000.00	25,000.00	24,096.00	904.00
USDA Reserve Account	2,400.00	2,400.00	.00	2,400.00
USDA Dep & Cont	2,400.00	2,400.00	.00	2,400.00
Total Street Repair	<u>\$ 603,100.00</u>	<u>\$ 637,600.00</u>	<u>\$ 552,390.00</u>	<u>\$ 85,210.00</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 963,600.00</u>	<u>\$ 1,981,400.00</u>	<u>\$ 2,025,863.05</u>	<u>\$ (44,463.05)</u>
<u>EXCESS OF REVENUE AND OTHER</u> <u>EXPENDITURES</u>	<u>\$ 215,460.00</u>	<u>\$ 130,478.16</u>	<u>\$ (391,160.39)</u>	<u>\$ (521,638.55)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In(Out)				
Transfer to General Fund	\$ (30,000.00)	\$ (30,000.00)	\$ (30,000.00)	\$.00
Transfer to Sewer	(50,000.00)	.00	.00	.00
Total Other Financing Sources (Uses)	<u>\$ (80,000.00)</u>	<u>\$ (30,000.00)</u>	<u>\$ (30,000.00)</u>	<u>\$.00</u>
<u>EXCESS OF REVENUE AND OTHER</u> <u>SOURCES OVER (UNDER)</u> <u>EXPENDITURES AND OTHER (USES)</u> <u>BEFORE EXTRAORDINARY ITEM</u>	<u>\$ 135,460.00</u>	<u>\$ 100,478.16</u>	<u>\$ (421,160.39)</u>	<u>\$ (521,638.55)</u>
<u>FUND BALANCE - JULY 1</u>	891,040.92	891,040.92	891,040.92	
Transfer from Construction Accounts	<u>.00</u>	<u>.00</u>	<u>87,462.94</u>	
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 1,026,500.92</u>	<u>\$ 991,519.08</u>	<u>\$ 557,343.47</u>	

The notes are an integral part of these statements. See accompanying notes and auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SPECIAL REVENUES - 2002 SALES TAX FUND - RECREATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

STATEMENT B-1

<u>REVENUE</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL YEAR TO DATE</u>	<u>FAVORABLE (UNFAVORABLE)</u>
Sales Tax	\$ 505,000.00	\$ 505,000.00	\$ 506,794.19	\$ 1,794.19
Concession Sales	.00	.00	183.00	183.00
Membership Dues	1,500.00	2,000.00	2,480.00	480.00
Building Rental	14,000.00	9,000.00	8,050.00	(950.00)
Interest	2,500.00	2,500.00	3,595.59	1,095.59
Miscellaneous	.00	25,000.00	.00	(25,000.00)
Special Programs	6,000.00	4,000.00	4,230.00	230.00
Total Revenues	<u>\$ 529,000.00</u>	<u>\$ 547,500.00</u>	<u>\$ 525,332.78</u>	<u>\$ (22,167.22)</u>
 <u>EXPENDITURES</u>				
Salaries	\$ 122,000.00	\$ 102,000.00	\$ 98,737.06	\$ 3,262.94
Employee Benefits Expenditures				
Medicare Tax	1,740.00	1,500.00	1,458.48	41.52
FICA	7,600.00	6,400.00	6,268.48	131.52
Municipal Retirement	26,000.00	24,000.00	23,534.00	466.00
Unemployment	300.00	300.00	202.08	97.92
Hospital Insurance	30,000.00	30,000.00	26,354.81	3,645.19
Dental Insurance	1,200.00	1,200.00	1,067.91	132.09
Workers Compensation Insurance	5,400.00	4,000.00	3,967.93	32.07
Employee Drug Testing	200.00	200.00	55.00	145.00
Miscellaneous Employee Expense	1,000.00	1,000.00	1,196.50	(196.50)
Uniforms	3,000.00	1,000.00	766.88	233.12
Activity Expense	10,000.00	10,000.00	10,140.94	(140.94)
Advertising and Filing	1,500.00	1,200.00	1,078.83	121.17
Auditing	3,500.00	3,500.00	3,500.00	.00
Ball Park Expense	1,000.00	200.00	45.10	154.90
Bond Payments	216,000.00	216,000.00	218,600.00	(2,600.00)
Building Repairs & Maintenance	15,000.00	65,000.00	.00	65,000.00
Computer Expense	1,000.00	1,000.00	369.99	630.01
Liability Insurance	15,000.00	15,000.00	13,317.73	1,682.27
Miscellaneous	1,000.00	500.00	429.19	70.81
Office Supplies	1,500.00	2,500.00	2,343.77	156.23
Repairs and Maintenance	.00	.00	13,922.75	(13,922.75)
Sales Tax Collection Fee	5,050.00	5,050.00	5,314.16	(264.16)
Supplies	6,500.00	5,500.00	5,233.91	266.09
Telephone	5,000.00	4,500.00	4,267.07	232.93
Travel & Training	1,000.00	1,000.00	131.76	868.24
Utilities	28,000.00	28,000.00	29,897.32	(1,897.32)
Vehicle Expense	3,000.00	3,000.00	3,048.12	(48.12)
Total Expenditures	<u>\$ 512,490.00</u>	<u>\$ 533,550.00</u>	<u>\$ 475,249.77</u>	<u>\$ 58,300.23</u>
 <u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>\$ 16,510.00</u>	<u>\$ 13,950.00</u>	<u>\$ 50,083.01</u>	<u>\$ 36,133.01</u>
 <u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfer In (Out)				
General Fund	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$.00
Total Other Financing Sources (Uses)	<u>\$ (10,000.00)</u>	<u>\$ (10,000.00)</u>	<u>\$ (10,000.00)</u>	<u>\$.00</u>
 <u>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) BEFORE EXTRAORDINARY ITEM</u>				
	<u>\$ 6,510.00</u>	<u>\$ 3,950.00</u>	<u>\$ 40,083.01</u>	<u>\$ 36,133.01</u>
 <u>FUND BALANCE - JULY 1</u>				
	<u>560,412.60</u>	<u>560,412.60</u>	<u>560,412.60</u>	
 <u>FUND BALANCE - JUNE 30</u>				
	<u>\$ 566,922.60</u>	<u>\$ 564,362.60</u>	<u>\$ 600,495.61</u>	

The notes are an integral part of these statements. See accompanying notes and auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
OTHER POST EMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF FUNDING PROGRESS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

STATEMENT C

<u>ACTUARIAL VALUATION DATE</u>	<u>ACTUARIAL VALUATION OF ASSETS</u>	<u>ACTUARIAL ACCRUED LIABILITY UNIT CREDIT</u>	<u>UNFUNDED AAL (UAAL)</u>	<u>FUNDED RATIO</u>	<u>COVERED PAYROLL</u>	<u>UAAL AS A PERCENTAGE OF COVERED PAYROLL</u>
07/01/10 - 06/30/11	\$.00	\$ 190,611.00	\$ 190,611.00	0.00%	\$ 733,969.00	25.97%
07/01/11 - 06/30/12	.00	239,001.00	239,001.00	0.00%	859,289.00	27.38%
07/01/12 - 06/30/13	.00	315,375.00	315,375.00	0.00%	892,028.00	35.35%
07/01/13 - 06/30/14	.00	48,519.00	48,519.00	0.00%	728,045.20	6.66%
07/01/14 - 06/30/15	.00	130,499.80	130,499.80	0.00%	850,086.76	15.35%
07/01/15 - 06/30/16	.00	14,053.20	14,053.20	0.00%	1,151,452.00	46.50%
07/01/16 - 06/30/17	.00	8,658.00	8,658.00	0.00%	1,171,495.96	80.81%
Totals		<u>\$ 946,717.00</u>	<u>\$ 946,717.00</u>			

The notes are an integral part of these statements. See accompanying notes and auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
MUNICIPAL EMPLOYEE'S RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2018

STATEMENT D

	<u>FIREFIGHTER</u>		<u>POLICE</u>		<u>MERS</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
A. Employer Proportion of the Net Pension Liability (Asset)	.037423%	.04053%	.021528%	.022363%	-	.557818%
B. Employer Proportionate Share of the Net Position Liability (Asset)	\$ 214,503.00	\$ 265,103.00	\$ 187,949.00	\$ 209,604.00	\$ 2,355,919.00	\$ 2,286,335.00
C. Employer's Covered Employee Payroll	\$ 93,318.33	\$ 89,707.66	\$ 30,605.19	\$ 59,927.71	\$ 1,003,862.20	\$ 1,021,860.59
D. Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	2.00%	2.95%	6.00%	3.50%	2.00%	2.24%
E. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	-	-	-	-	-	-

The amounts presented have a measurement date of the previous fiscal year end.

The notes are an integral part of these statements. See accompanying notes and auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
MUNICIPAL EMPLOYEE'S RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2018

STATEMENT E

	<u>FIREFIGHTER</u>		<u>POLICE</u>		<u>MERS</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
A. Contractually Required Contribution	\$ -	\$ 22,710.50	\$ -	\$ 20,404.66	\$ -	\$ 232,717.71
B. Contributions in Relation to Contractual Required Contribution	\$ -	\$ 22,710.50	\$ -	\$ 20,404.66	\$ -	\$ 232,717.71
C. Contribution Deficiency (Excess)	-	-	-	-	-	-
D. Covered Employee Payroll	\$ -	\$ 89,707.66	\$ -	\$ 59,927.71	\$ -	\$ 1,021,860.59
E. Contribution as A % of Covered Employee Payroll	%	29.25%	%	31.75%		22.75%

These schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

The notes are an integral part of these statements. See accompanying notes and auditors' report.

OTHER SUPPLEMENTAL INFORMATION(PART III)

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
ENTERPRISE FUND

SCHEDULE A

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET (GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	WATER				SEWER			
	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL YEAR TO DATE	FAVORABLE (UNFAVORABLE)	ORIGINAL BUDGET	AMENDED BUDGET	YEAR TO DATE	ACTUAL FAVORABLE (UNFAVORABLE)
OPERATING REVENUES								
Charges for Service								
Water Sales	\$ 1,400,000.00	\$ 1,400,000.00	\$ 1,405,534.12	\$ 5,534.12	\$.00	\$.00	\$.00	\$.00
Less Bad Debts	(10,000.00)	(5,000.00)	(35,326.45)	(30,326.45)	.00	.00	.00	.00
NSF Fees	600.00	600.00	825.00	225.00	.00	.00	.00	.00
Penalties	50,000.00	55,000.00	59,396.89	4,396.89	.00	.00	.00	.00
Sewer Sales	.00	.00	.00	.00	440,000.00	500,000.00	536,230.48	36,230.48
Sludge Fees	.00	.00	.00	.00	.00	8,000.00	8,150.00	150.00
Cleaning Fees	1,500.00	2,500.00	2,500.00	.00	.00	.00	.00	.00
DHH Fee	21,500.00	21,500.00	15,265.40	(6,234.60)	.00	.00	.00	.00
Tapping Fees	5,000.00	4,000.00	9,026.37	5,026.37	2,000.00	2,000.00	2,000.00	.00
Miscellaneous	1,000.00	11,000.00	10,658.50	(341.50)	.00	.00	.00	.00
Grants/Fema	.00	.00	.00	.00	.00	.00	.00	.00
Total Operating Revenues	<u>\$ 1,469,600.00</u>	<u>\$ 1,489,600.00</u>	<u>\$ 1,467,879.83</u>	<u>\$ (21,720.17)</u>	<u>\$ 442,000.00</u>	<u>\$ 510,000.00</u>	<u>\$ 546,380.48</u>	<u>\$ 36,380.48</u>
OPERATING EXPENSES								
Cost of Sales and Service	\$ 582,500.00	\$ 605,000.00	\$ 565,049.69	\$ 39,950.31	\$ 223,000.00	\$ 196,000.00	\$ 245,034.20	\$ (49,034.20)
Administration	783,000.00	908,240.00	754,351.95	153,888.05	204,322.50	313,022.50	167,677.26	145,345.24
Depreciation	.00	.00	402,926.91	(402,926.91)	.00	.00	169,848.96	(169,848.96)
Total Operating Expenses	<u>\$ 1,365,500.00</u>	<u>\$ 1,513,240.00</u>	<u>\$ 1,722,328.55</u>	<u>\$ (209,088.55)</u>	<u>\$ 427,322.50</u>	<u>\$ 509,022.50</u>	<u>\$ 582,560.42</u>	<u>\$ (73,537.92)</u>
OPERATING INCOME (LOSS)	<u>\$ 104,100.00</u>	<u>\$ (23,640.00)</u>	<u>\$ (254,448.72)</u>	<u>\$ (230,808.72)</u>	<u>\$ 14,677.50</u>	<u>\$ 977.50</u>	<u>\$ (36,179.94)</u>	<u>\$ (37,157.44)</u>
NONOPERATING REVENUE (EXPENSES)								
Grant Income	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$ 183,090.19	\$ 183,090.19
Interest Income	3,000.00	8,000.00	9,305.05	1,305.05	1,000.00	1,000.00	1,252.63	252.63
Interest Expense	.00	.00	(40,590.52)	(40,590.52)	.00	.00	(15,263.25)	(15,263.25)
Total Nonoperating Revenue (Expenses)	<u>\$ 3,000.00</u>	<u>\$ 8,000.00</u>	<u>\$ (31,285.47)</u>	<u>\$ (39,285.47)</u>	<u>\$ 1,000.00</u>	<u>\$ 1,000.00</u>	<u>\$ 169,079.57</u>	<u>\$ 168,079.57</u>
(TRANSFER TO)/FROM OTHER FUNDS								
General Fund / Sewer	<u>\$ (30,000.00)</u>	<u>\$ (30,000.00)</u>	<u>\$ (29,700.00)</u>	<u>\$ (700.00)</u>	<u>\$.00</u>	<u>\$.00</u>	<u>\$.00</u>	<u>\$.00</u>
NET INCOME (LOSS)	<u>\$ 77,100.00</u>	<u>\$ (45,640.00)</u>	<u>\$ (315,034.19)</u>	<u>\$ (270,794.19)</u>	<u>\$ 15,677.50</u>	<u>\$ 1,977.50</u>	<u>\$ 132,899.63</u>	<u>\$ 130,922.13</u>
NET POSITION - JULY 1	<u>5,477,134.95</u>	<u>5,477,134.95</u>	<u>5,477,134.95</u>		<u>4,062,753.68</u>	<u>4,062,753.68</u>	<u>4,062,753.68</u>	
NET POSITION - JUNE 30	<u>\$ 5,554,234.95</u>	<u>\$ 5,431,494.95</u>	<u>\$ 5,162,100.76</u>		<u>\$ 4,078,431.18</u>	<u>\$ 4,064,731.18</u>	<u>\$ 4,195,653.31</u>	

The notes are an integral part of these statements. See accompanying notes and auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
ENTERPRISE FUND

SCHEDULE A-1

SCHEDULE OF DETAIL OF EXPENSES, BUDGET (GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

COST OF SALES AND SERVICES	WATER				SEWER			
	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL YEAR TO DATE	FAVORABLE (UNFAVORABLE)	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL YEAR TO DATE	FAVORABLE (UNFAVORABLE)
<u>WATER AND SEWER SUPPLIES AND MATERIALS</u>								
Chemicals	\$.00	\$.00	\$.00	\$.00	\$ 12,000.00	\$.00	\$.00	\$.00
Chemical Test	.00	.00	1,568.75	(1,568.75)	15,000.00	10,000.00	9,514.00	486.00
Chlorine	20,000.00	24,000.00	24,810.08	(810.08)	6,000.00	4,000.00	3,503.28	496.72
Chlorine Equipment Repair	2,000.00	.00	.00	.00	.00	.00	.00	.00
Grant Expense	.00	.00	.00	.00	.00	.00	21,500.00	(21,500.00)
Asset Purchases	25,000.00	31,000.00	.00	31,000.00	.00	.00	.00	.00
Poultry Plant Water Well Repairs	75,000.00	75,000.00	69,855.21	5,144.79	.00	.00	.00	.00
Major Repairs and Additions	35,000.00	38,000.00	41,780.46	(3,780.46)	40,000.00	25,000.00	27,181.00	(2,181.00)
Major Well and Tank Repairs	.00	.00	.00	(69,855.21)	.00	.00	.00	.00
Meter Replacement	25,000.00	25,000.00	21,373.78	3,626.22	.00	.00	.00	.00
Equipment Maintenance and Supplies	1,000.00	2,500.00	2,825.43	(325.43)	.00	.00	.00	.00
Pump Repair	30,000.00	.00	.00	.00	40,000.00	75,000.00	81,955.07	(6,955.07)
Safe Drinking Program	21,500.00	21,500.00	15,351.65	6,148.35	.00	.00	.00	.00
Supplies	50,000.00	60,000.00	64,172.48	(4,172.48)	10,000.00	15,000.00	16,082.96	(1,082.96)
Treatment Plant Repairs	.00	.00	.00	.00	40,000.00	10,000.00	24,697.87	(14,697.87)
Reserved Account	18,000.00	18,000.00	.00	18,000.00	.00	.00	.00	.00
Water Supply Initiative	20,000.00	25,000.00	24,288.75	711.25	.00	.00	.00	.00
Utilities	260,000.00	285,000.00	299,023.10	(14,023.10)	60,000.00	57,000.00	60,600.02	(3,600.02)
Totals	\$ 582,500.00	\$ 605,000.00	\$ 565,049.69	\$ (29,904.90)	\$ 223,000.00	\$ 196,000.00	\$ 245,034.20	\$ (49,034.20)
<u>ADMINISTRATIVE</u>								
Advertising and Filing	\$ 500.00	\$ 1,000.00	\$ 1,116.73	\$ (116.73)	\$.00	\$.00	\$.00	\$.00
Auditing	12,000.00	12,000.00	12,000.00	.00	2,000.00	2,000.00	2,000.00	.00
Bank Charges	500.00	800.00	741.22	58.78	.00	.00	.00	.00
Computer Expense	15,000.00	25,000.00	26,449.27	(1,449.27)	.00	.00	.00	.00
Dues	1,000.00	1,500.00	570.00	930.00	.00	.00	.00	.00
Grant Expenses	.00	100,000.00	.00	100,000.00	.00	.00	.00	.00
Insurance - Liability	32,000.00	42,000.00	35,050.79	6,949.21	10,000.00	8,500.00	7,106.97	1,393.03
Miscellaneous	10,000.00	5,000.00	9,550.13	(4,550.13)	1,000.00	2,500.00	2,483.12	16.88
Office Supplies	6,000.00	4,000.00	4,183.41	(183.41)	.00	.00	.00	.00
Postage	8,000.00	8,000.00	6,698.91	1,301.09	.00	.00	.00	.00
Radio Repairs	1,000.00	1,000.00	599.88	400.12	.00	.00	.00	.00
Telephone	10,000.00	10,000.00	8,213.20	1,786.80	1,200.00	1,700.00	1,772.49	(72.49)
Travel and Training	8,000.00	7,000.00	6,045.09	954.91	1,500.00	500.00	239.83	260.17
Grant Expenses	.00	.00	.00	.00	.00	100,000.00	.00	100,000.00
Loan Payments	.00	.00	.00	.00	32,572.50	32,572.50	.00	.00
USDA Loan Payments	110,000.00	110,000.00	.00	110,000.00	.00	.00	.00	.00
Asset Disposals	.00	.00	2,000.00	(2,000.00)	.00	.00	.00	.00
Water Bill Cost	14,000.00	17,000.00	16,571.48	428.52	.00	.00	.00	.00
Subtotal	\$ 228,000.00	\$ 344,300.00	\$ 129,790.11	\$ 214,509.89	\$ 48,272.50	\$ 147,772.50	\$ 13,602.41	\$ 101,597.59
<u>Truck & Equipment Expense</u>								
Equipment - Gas and Oil	\$ 2,000.00	\$ 4,000.00	\$ 4,819.92	\$ (819.92)	\$.00	\$.00	\$.00	\$.00
Equipment Repairs	10,000.00	22,000.00	23,211.79	(1,211.79)	4,000.00	14,000.00	13,531.36	468.64
Truck - Gas and Oil	15,000.00	17,000.00	17,200.48	(200.48)	7,000.00	5,000.00	4,757.06	242.94
Truck Repairs	10,000.00	13,000.00	13,099.28	(99.28)	1,000.00	1,000.00	248.26	751.74
Total Truck & Equipment Expenses	\$ 37,000.00	\$ 56,000.00	\$ 58,331.47	\$ (2,331.47)	\$ 12,000.00	\$ 20,000.00	\$ 18,536.68	\$ 1,463.32

<u>Cost of Labor</u>								
Salaries	\$ 345,000.00	\$ 320,000.00	\$ 318,808.26	\$ 1,191.74	\$ 93,000.00	\$ 93,000.00	\$ 91,422.51	\$ 1,577.49
Other Labor Costs	.00	1,500.00	.00	1,500.00	.00	.00	.00	.00
Employee Benefits								
Post Retirement Benefits	.00	.00	1,661.00	(1,661.00)	.00	.00	859.00	(859.00)
Retirement Expense	62,000.00	72,000.00	133,236.75	(61,236.75)	19,500.00	20,500.00	11,968.15	8,531.85
Medicare Tax	5,000.00	4,640.00	4,628.64	11.36	1,350.00	1,350.00	1,367.18	(17.18)
FICA Contribution	22,000.00	19,800.00	19,791.58	8.42	5,800.00	5,800.00	5,845.80	(45.80)
Unemployment Tax	1,000.00	1,000.00	640.71	359.29	200.00	200.00	185.81	14.19
Hospital Insurance	60,000.00	68,000.00	67,912.28	87.72	16,800.00	16,800.00	17,153.12	(353.12)
Dental	2,600.00	2,600.00	2,653.67	(53.67)	1,000.00	1,000.00	732.95	267.05
Worker's Compensation Insurance	14,000.00	14,000.00	13,066.85	933.15	5,500.00	5,500.00	5,307.10	192.90
Employee Drug Testing	400.00	400.00	110.00	290.00	100.00	100.00	110.00	(10.00)
Miscellaneous Employee Expense	1,000.00	1,000.00	816.47	183.53	.00	200.00	212.87	(12.87)
Uniforms	5,000.00	3,000.00	2,904.16	95.84	800.00	800.00	373.68	426.32
Total Cost Labor	<u>\$ 518,000.00</u>	<u>\$ 507,940.00</u>	<u>\$ 566,230.37</u>	<u>\$ (58,290.37)</u>	<u>\$ 144,050.00</u>	<u>\$ 145,250.00</u>	<u>\$ 135,538.17</u>	<u>\$ 9,711.83</u>
Total Administrative	<u>\$ 783,000.00</u>	<u>\$ 908,240.00</u>	<u>\$ 754,351.95</u>	<u>\$ 153,888.05</u>	<u>\$ 204,322.50</u>	<u>\$ 313,022.50</u>	<u>\$ 167,677.26</u>	<u>\$ 112,772.74</u>

The notes are an integral part of these statements. See accompanying notes and auditors' report.

MAJOR - SPECIAL REVENUE FUNDS

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

SALES TAX FUND

Proceeds of the 1% sales tax are to be used for costs incurred in operating a Sanitary Landfill Site for Garbage and Waste Disposal; for Street Repair and Maintenance; and for Sewer Repair and Maintenance.

2011 ½ SALES TAX FOR POLICE

On April 30, 2011 a ½ of 1% sales tax was passed for the operations of the Farmerville Police Department. A separate fund will account for the dedicated funds. The police department is a department of the General Fund.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

SCHEDULE B

	<u>MAJOR GOVERNMENTAL FUNDS</u>					<u>TOTAL GENERAL FUND</u>
	<u>GENERAL FUND</u>	<u>GARBAGE DEPARTMENT</u>	<u>FIRE DEPARTMENT</u>	<u>POLICE DEPARTMENT</u>	<u>ELIMINATIONS</u>	
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 523,630.76	\$.00	\$ 1,240,493.51	\$ 29,907.79	\$.00	\$ 1,795,152.60
Property Taxes Receivable - Net	2,446.82	.00	21,715.52	.00	.00	24,162.34
Sales Tax Receivable	.00	.00	.00	46,973.39	.00	46,973.39
Accounts Receivable - Other	31,770.83	.00	.00	.00	.00	31,770.83
Prepaid Items	21,605.00	.00	27,905.00	31,304.00	.00	80,814.00
Due from Other Funds	60,636.75	.00	.00	387.50	60,636.75	387.50
Due from Major Funds	114,464.14	.00	.00	.00	13,112.57	101,351.57
Restricted Assets						
Cash and Cash Equivalents	.00	.00	.00	.00	.00	.00
<u>TOTAL ASSETS</u>	<u>\$ 754,554.30</u>	<u>\$.00</u>	<u>\$ 1,290,114.03</u>	<u>\$ 109,693.22</u>	<u>\$ 73,749.32</u>	<u>\$ 2,080,612.23</u>
<u>LIABILITIES AND FUND BALANCE</u>						
<u>LIABILITIES</u>						
Accounts Payables	\$ 11,966.52	\$.00	\$ 6,604.18	\$ 7,008.73	\$.00	\$ 25,579.43
Accrued Liabilities	24,767.00	.00	7,135.00	19,817.00	.00	51,719.00
Other Liabilities	1,508.04	.00	.00	.00	.00	1,508.04
Due from Other Funds	13,112.57	.00	.00	.00	13,112.57	.00
Due from Major Funds	.00	.00	60,636.75	.00	60,636.75	.00
Total Liabilities	<u>\$ 51,354.13</u>	<u>\$.00</u>	<u>\$ 74,375.93</u>	<u>\$ 26,825.73</u>	<u>\$ 73,749.32</u>	<u>\$ 78,806.47</u>
<u>FUND BALANCE</u>						
Nonspendable	\$ 21,605.00	\$.00	\$ 27,905.00	\$ 31,304.00	\$.00	\$ 80,814.00
Assigned	.00	.00	15,000.00	.00	.00	15,000.00
Unassigned	681,595.17	.00	1,172,833.10	51,563.49	.00	1,905,991.76
Total Fund Balance	<u>\$ 703,200.17</u>	<u>\$.00</u>	<u>\$ 1,215,738.10</u>	<u>\$ 82,867.49</u>	<u>\$.00</u>	<u>\$ 2,001,805.76</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 754,554.30</u>	<u>\$.00</u>	<u>\$ 1,290,114.03</u>	<u>\$ 109,693.22</u>	<u>\$ 73,749.32</u>	<u>\$ 2,080,612.23</u>

The notes are an integral part of these statements. See accompanying notes and auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SCHEDULE B-1

REVENUES	MAJOR GOVERNMENTAL FUNDS				ELIMINATIONS	TOTAL GENERAL FUND
	GENERAL FUND	GARBAGE DEPARTMENT	FIRE DEPARTMENT	POLICE DEPARTMENT		
<u>Taxes</u>						
Advalorem - General	\$ 235,130.01	\$.00	\$ 483,211.03	\$.00	\$.00	\$ 718,341.04
Sales Taxes	.00	.00	.00	506,794.35	.00	506,794.35
Franchise	212,031.34	.00	.00	.00	.00	212,031.34
Housing Authority in Lieu of Taxes	.00	.00	.00	.00	.00	.00
Total Taxes	<u>\$ 447,161.35</u>	<u>\$.00</u>	<u>\$ 483,211.03</u>	<u>\$ 506,794.35</u>	<u>\$.00</u>	<u>\$ 1,437,166.73</u>
<u>Licenses and Taxes</u>						
Alcoholic Beverages	\$ 8,645.00	\$.00	\$.00	\$.00	\$.00	\$ 8,645.00
Occupational	110,473.67	.00	.00	.00	.00	110,473.67
Occupational Insurance	105,241.44	.00	.00	.00	.00	105,241.44
Other	14,226.00	.00	.00	.00	.00	14,226.00
Video Bingo	85,593.86	.00	.00	.00	.00	85,593.86
Total Licenses and Taxes	<u>\$ 324,179.97</u>	<u>\$.00</u>	<u>\$.00</u>	<u>\$.00</u>	<u>\$.00</u>	<u>\$ 324,179.97</u>
<u>Intergovernmental Revenues</u>						
Beer Tax	\$ 6,537.78	\$.00	\$.00	\$.00	.00	\$ 6,537.78
State 2% Insurance Fund	.00	.00	21,230.68	.00	.00	21,230.68
Total Intergovernmental Revenues	<u>\$ 6,537.78</u>	<u>\$.00</u>	<u>\$ 21,230.68</u>	<u>\$.00</u>	<u>\$.00</u>	<u>\$ 27,768.46</u>
<u>Charges for Services</u>						
Juvenile Court	\$.00	\$.00	\$.00	\$ 328.28	\$.00	\$ 328.28
Municipal Court Cost	\$.00	\$.00	\$.00	11,228.44	.00	11,228.44
Accident Report	.00	.00	.00	1,430.00	.00	1,430.00
Drug Task Force	.00	.00	.00	2,728.00	.00	2,728.00
AMS Collection	.00	.00	.00	349.00	.00	349.00
Garbage Fees	.00	483,469.23	.00	.00	.00	483,469.23
Zoning Charges	200.00	.00	.00	.00	.00	200.00
Total Charges for Services	<u>\$ 200.00</u>	<u>\$ 483,469.23</u>	<u>\$.00</u>	<u>\$ 16,063.72</u>	<u>\$.00</u>	<u>\$ 499,732.95</u>
<u>Fines and Forfeits</u>						
DWI Fines	\$.00	\$.00	\$.00	\$ 4,411.50	.00	\$ 4,411.50
Municipal Court Fines	.00	.00	.00	47,649.25	.00	47,649.25
Bench Warrants	.00	.00	.00	3,840.00	.00	3,840.00
Total Fines and Forfeits	<u>\$.00</u>	<u>\$.00</u>	<u>\$.00</u>	<u>\$ 55,900.75</u>	<u>\$.00</u>	<u>\$ 55,900.75</u>
<u>Miscellaneous</u>						
Grants	\$.00	\$.00	\$.00	\$.00	.00	\$.00
Condemned Houses	1,750.00	.00	.00	.00	.00	1,750.00
Miscellaneous	51,747.99	.00	.00	7,008.00	.00	58,755.99
Supplemental Pay - State of Louisiana	.00	.00	8,000.00	54,000.00	.00	62,000.00
Sale of Assets	.00	.00	.00	.00	.00	.00
Fees - Farmer's Market	1,512.00	.00	.00	.00	.00	1,512.00
Fees - 175 th Birthday Celebration	15,184.00	.00	.00	.00	.00	15,184.00

Burn Permits	.00	.00	150.00	.00	.00	150.00
Interest Income	544.88	.00	10,632.65	187.67	.00	11,365.20
Total Miscellaneous	<u>\$ 70,738.87</u>	<u>\$.00</u>	<u>\$ 18,782.65</u>	<u>\$ 61,195.67</u>	<u>\$.00</u>	<u>\$ 150,717.19</u>
TOTAL REVENUE	<u>\$ 848,817.97</u>	<u>\$ 483,469.23</u>	<u>\$ 523,224.36</u>	<u>\$ 639,954.49</u>	<u>\$.00</u>	<u>\$ 2,495,466.05</u>

EXPENDITURES

General and Administrative

Salaries and Expenditures	\$ 231,516.61	\$ 246,020.08	\$ 93,318.33	\$ 530,890.92	\$.00	\$ 1,101,745.94
Supplemental Pay	.00	.00	8,000.00	54,000.00	.00	62,000.00
Employee Benefits Expenditures						
Dental Insurance	2,416.32	2,743.18	497.46	4,770.98	.00	10,427.94
Medicare Tax	3,386.66	3,606.30	1,461.97	8,763.32	.00	17,218.25
FICA	14,480.62	15,420.03	6,186.67	37,004.71	.00	73,092.03
Unemployment	261.89	502.24	180.57	1,048.19	.00	1,992.89
Retirement	30,998.35	57,831.72	24,324.71	21,119.95	.00	134,274.73
Hospital Insurance	25,665.85	64,986.83	17,153.12	116,479.29	.00	224,285.09
Life Insurance	.00	.00	.00	2,001.00	.00	2,001.00
Uniforms	1,764.41	2,337.39	5,039.20	1,096.46	.00	10,237.46
Workers Compensation Insurance	.00	29,274.17	5,469.45	18,834.12	.00	53,577.74
Miscellaneous Employee Expense	546.84	700.40	598.70	1,325.47	.00	3,171.41
Employee Drug Testing	110.00	220.00	165.00	330.00	.00	825.00
Attorney's Fees	15,975.00	.00	.00	.00	.00	15,975.00
Administrative Fees	.00	.00	147.06	.00	.00	147.06
Auditing	7,000.00	.00	3,500.00	3,000.00	.00	13,500.00
Advertising and Filing	21,720.96	.00	72.00	199.96	.00	21,992.92
Bank Charges	142.28	.00	.00	.00	.00	142.28
City Hall Maintenance and Supplies	9,179.30	.00	.00	.00	.00	9,179.30
Civil Defense	66.87	.00	.00	.00	.00	66.87
Collection Expenditures						
AMS	.00	.00	.00	523.90	.00	523.90
Sales Taxes	.00	.00	.00	5,314.32	.00	5,314.32
Computer Expenditures	9,907.12	.00	857.50	1,360.15	.00	12,124.77
Container Expense	.00	3,405.09	.00	.00	.00	3,405.09
Coroner Expenditures	9,600.00	.00	.00	.00	.00	9,600.00
Dues and Subscriptions	7,950.40	.00	140.00	637.45	.00	8,727.85
Insurance	20,676.92	9,099.86	33,682.86	41,591.22	.00	105,050.86
Office Supplies	10,098.14	.00	2,076.70	6,986.02	.00	19,160.86
Radio and Equipment Repairs	.00	.00	4,047.09	.00	.00	4,047.09
Vehicle Gas, Oil and Repairs	1,874.83	61,095.66	13,774.84	44,819.41	.00	121,564.74
Equipment Repairs	.00	.00	.00	1,843.61	.00	1,843.61
Repairs & Maintenance	460.65	.00	.00	1,521.82	.00	1,982.47
Sanitation Truck Payments	.00	45,278.40	.00	.00	.00	45,278.40
Supplies	.00	.00	17,599.43	3,157.17	.00	20,756.60
Telephone	9,684.27	.00	5,809.05	5,771.48	.00	21,264.80
Travel and Training	17,921.63	.00	3,199.85	4,095.03	.00	25,216.51
Fire Prevention Payments	.00	.00	2,981.91	.00	.00	2,981.91
Fire Station Repairs	.00	.00	4,980.98	.00	.00	4,980.98
Fire Clothing Allowance	.00	.00	8,086.02	.00	.00	8,086.02

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SCHEDULE B-1
CONTINUED

<u>EXPENDITURES</u>	<u>MAJOR GOVERNMENTAL FUNDS</u>				<u>ELIMINATIONS</u>	<u>TOTAL GENERAL FUND</u>
	<u>GENERAL FUND</u>	<u>GARBAGE DEPARTMENT</u>	<u>FIRE DEPARTMENT</u>	<u>POLICE DEPARTMENT</u>		
<u>General and Administrative Continued</u>						
LaMats Collection Fee	\$ 3,001.80	\$.00	\$.00	\$.00	\$.00	\$ 3,001.80
Dog Expense	.00	.00	.00	1,208.40	.00	1,208.40
Utilities	11,704.11	.00	9,627.24	6,952.98	.00	28,284.33
Asset Purchases	.00	.00	269,877.33	.00	.00	269,877.33
Economic Development	.00	.00	.00	.00	.00	.00
Farmers Market Building	290.00	.00	.00	.00	.00	290.00
Grant Expense	.00	.00	.00	.00	.00	.00
Triad Phone Service	400.00	.00	.00	.00	.00	400.00
Miscellaneous	3,302.02	3,130.31	3,564.67	1,733.57	.00	11,730.57
Christmas Supply Cost	2,070.60	.00	.00	.00	.00	2,070.60
City Inspector Expense	1,389.91	.00	.00	.00	.00	1,389.91
LSU Ag Center	10,000.00	.00	.00	.00	.00	10,000.00
Code of Ordinances	800.00	.00	.00	.00	.00	800.00
175 th Anniversary Celebration	24,431.30	.00	.00	.00	.00	24,431.30
Website Expense	2,351.66	.00	.00	.00	.00	2,351.66
<u>TOTAL EXPENDITURES</u>	<u>\$ 513,147.32</u>	<u>\$ 545,651.66</u>	<u>\$ 546,419.71</u>	<u>\$ 928,380.90</u>	<u>\$.00</u>	<u>\$ 2,533,599.59</u>
<u>OPERATING REVENUE OVER (UNDER)</u>						
<u>EXPENDITURES</u>	<u>\$ 335,670.65</u>	<u>\$ (62,182.43)</u>	<u>\$ (23,195.35)</u>	<u>\$ (288,426.41)</u>	<u>\$.00</u>	<u>\$ (38,133.54)</u>
<u>TRANSFERS</u>						
Transfers Out	\$ (270,000.00)	\$.00	\$ (28,130.62)	\$ 270,000.00	\$ 270,000.00	\$ 241,869.38
Transfers Between Accounts	.00	.00	.00	.00	(270,000.00)	(270,000.00)
Transfers In	75,000.00	.00	53,216.81	.00	.00	128,216.81
Total Transfers	<u>\$ (195,000.00)</u>	<u>\$.00</u>	<u>\$ 25,086.19</u>	<u>\$ 270,000.00</u>	<u>\$.00</u>	<u>\$ 100,086.19</u>
<u>EXCESS OF REVENUE & OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) BEFORE EXTRAORDINARY</u>	<u>\$ 140,670.65</u>	<u>\$ (62,182.43)</u>	<u>\$ 1,890.84</u>	<u>\$ (18,426.41)</u>	<u>\$.00</u>	<u>\$ 61,952.65</u>
<u>FUND BALANCE - JULY 1</u>	<u>703,163.84</u>	<u>(78,451.89)</u>	<u>1,213,847.26</u>	<u>101,293.90</u>	<u>.00</u>	<u>1,939,853.11</u>
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 843,834.49</u>	<u>\$ (140,634.32)</u>	<u>\$ 1,215,738.10</u>	<u>\$ 82,867.49</u>	<u>\$.00</u>	<u>\$ 2,001,805.76</u>

The notes are an integral part of these statements. See accompanying notes and auditors' report.

NON-MAJOR - SPECIAL REVENUE FUNDS

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

FARMERVILLE VOLUNTEER FIRE DEPARTMENT, INC.

The volunteer fire department receives funds from fund raisers, drink sales and from the State of Louisiana 2% rebate funds. Their expenses are purchases of drinks, miscellaneous equipment, fund raiser and volunteer firemen benefits. Most funds are accumulated to be used for purchase of fire department equipment.

FARMERVILLE AREA FIRE PROTECTION DISTRICT OF UNION PARISH

The Fire District receives proceeds of advalorem taxes from the Sheriff's Department. Five percent of collections are retained by the fire district. The remaining funds are transferred to the Town of Farmerville for use in operating expenses, capital improvements and equipment purchases.

2002 SALES TAX FUND

On October 20, 2001 an additional ½ of 1% sales and use tax was approved. This tax was approved for construction of a recreation center and street improvements. Bonds were sold in the amount of \$2,900,000 for construction of the recreation center and improvements of the streets. These bonds were paid off by a new bond issued in 2012 for \$2,575,000, which will be paid off from the 2002 sales tax.

CAPITAL PROJECTS FUND

Capital projects funds should be established when capital acquisition or construction is financed, in whole or in part, through bonds, intergovernmental revenues, major private donations or special assessments. In addition, capital projects funds can be useful when capital acquisition or construction is financed by several funds or over several accounting periods.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

SCHEDULE C

	NON-MAJOR SPECIAL REVENUE FUNDS			TOTAL NON- MAJOR
	RECREATION SALES TAX	FARMERVILLE VOLUNTEER FIRE DEPARTMENT	FARMERVILLE AREA FIRE PROTECTION DISTRICT	
<u>ASSETS</u>				
Cash and Certificates of Deposits	\$ 438,967.48	\$ 36,244.16	\$ 4,077.37	\$ 479,289.01
Receivables				
Sales Taxes	46,973.39	.00	.00	46,973.39
Prepaid Insurance	9,693.00	.00	.00	9,693.00
Bond Sinking Fund	111,059.56	.00	.00	111,059.56
<u>TOTAL ASSETS</u>	\$ 606,693.43	\$ 36,244.16	\$ 4,077.37	\$ 647,014.96
 <u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Vouchers Payables	\$ 3,084.82	\$.00	\$.00	\$ 3,084.82
Accrued Liabilities	3,113.00	.00	.00	3,113.00
<u>TOTAL LIABILITIES</u>	\$ 6,197.82	\$.00	\$.00	\$ 6,197.82
 <u>FUND BALANCE</u>				
Nonspendable	\$ 9,693.00	\$.00	\$.00	\$ 9,693.00
Restricted	111,059.56	.00	.00	111,059.56
Assigned	479,743.05	36,244.16	4,077.37	520,064.58
<u>TOTAL FUND BALANCE</u>	\$ 600,495.61	\$ 36,244.16	\$ 4,077.37	\$ 640,817.14
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	\$ 606,693.43	\$ 36,244.16	\$ 4,077.37	\$ 647,014.96

The notes are an integral part of these statements. See accompanying notes and auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NON-MAJOR GOVERNMENT FUNDS
COMBINING STATEMENT OF REVENUE EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

SCHEDULE D

	NON-MAJOR SPECIAL REVENUE FUNDS			TOTAL NON-MAJOR FUNDS
	RECREATION SALES TAX	FARMERVILLE VOLUNTEER FIRE DEPARTMENT	FARMERVILLE AREA FIRE PROTECTION DISTRICT	
<u>REVENUES</u>				
Taxes				
Sales Taxes	\$ 506,794.19	\$.00	\$.00	\$ 506,794.19
Miscellaneous				
Memberships	2,480.00	.00	.00	2,480.00
Building Rental & Fees	8,050.00	.00	.00	8,050.00
Concessions	183.00	.00	.00	183.00
Interest Earned	3,595.59	75.98	8.07	3,679.64
Special Revenues	4,230.00	.00	.00	4,230.00
<u>TOTAL REVENUES</u>	<u>\$ 525,332.78</u>	<u>\$ 75.98</u>	<u>\$ 8.07</u>	<u>\$ 525,416.83</u>
<u>EXPENDITURES</u>				
General Government	\$ 256,649.77	\$ 16,423.34	\$ 2,368.64	\$ 275,441.75
Asset Purchases	218,600.00	.00	.00	218,600.00
<u>TOTAL EXPENDITURES</u>	<u>\$ 475,249.77</u>	<u>\$ 16,423.34</u>	<u>\$ 2,368.64</u>	<u>\$ 494,041.75</u>
<u>EXCESS OF REVENUE OVER (UNDER)</u>				
<u>EXPENDITURES</u>	<u>\$ 50,083.01</u>	<u>\$ (16,347.36)</u>	<u>\$ (2,360.57)</u>	<u>\$ 31,375.08</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In	\$.00	\$ 23,130.62	\$.00	\$ 23,130.62
Operating Transfers Out	(10,000.00)	(53,216.81)	.00	(63,216.81)
Total Other Financing Sources (Uses)	<u>\$ (10,000.00)</u>	<u>\$ (30,086.19)</u>	<u>\$.00</u>	<u>\$ (40,086.19)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>AND OTHER USES SOURCES OVER</u>				
<u>(UNDER) EXPENDITURES AND</u>				
<u>OTHER (USES)</u>	<u>\$ 40,083.01</u>	<u>\$ (46,433.55)</u>	<u>\$ (2,360.57)</u>	<u>\$ (8,711.11)</u>
<u>FUND BALANCE - JULY 1</u>	<u>560,412.60</u>	<u>82,677.71</u>	<u>6,437.94</u>	<u>649,528.25</u>
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 600,495.61</u>	<u>\$ 36,244.16</u>	<u>\$ 4,077.37</u>	<u>\$ 640,817.14</u>

The notes are an integral part of these statements. See accompanying notes and auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2018

SCHEDULE E

<u>INSURANCE COMPANY</u>	<u>POLICY NUMBER</u>	<u>DATES</u>	<u>TYPE</u>	<u>COVERAGE</u>	<u>COST</u>	<u>PREPAID</u>
Western Surety	18297290	07/03/18 - 07/03/19	La. P E H B # 1	\$ 10,000.00	\$ 161.00	\$.00
	68716392	04/09/18 - 04/09/19	La. P E Position Schedule #1	10,000.00	100.00	.00
	18306710	09/01/18 - 09/01/19	La. P E Position Schedule # 1	10,000.00	100.00	.00
	18295749	07/18/18 - 07/18/19	La. Clerk & Tax Collector - Gay Nell Pepper	300,000.00	1,750.00	.00
	14552362N	01/16/14 - 01/16/19	La. Notary Public - Gay Nell Pepper	10,000.00	110.00	.00
	15243804	10/01/18 - 10/01/19	Mayor Stein Baughman, Jr.	200,000.00	700.00	.00
	13355742	08/22/18 - 08/22/19	La. Supervisor of Public Service Mike Allen	25,000.00	100.00	.00
	24905268	02/22/17 - 02/22/20	La. Town Council Alderman - Jerry Taylor	100,000.00	892.50	.00
						<u>\$ 3,913.50</u>
One Beacon Insurance	791-00-0650-0005	05/01/18 - 05/01/19	Commercial General Liabilities			
			General Aggregate	\$ 2,000,000.00		
			Products - Completed Operations	2,000,000.00		
			Personal A - Bodily Injury & Property Damage	1,000,000.00		
			Personal B - Personal & Advertising Injury	1,000,000.00		
			Damages to Premises Rental	300,000.00		
			Failure to Supply	500,000.00		
			Sexual Abuse	300,000.00	\$ 44,881.00	\$ 37,401.00
One Beacon Insurance			Professional Liability Coverages			
			Public Officials Errors & Omissions	1,000,000.00		
			Public Officials Employment Practices	1,000,000.00		
			Public Officials Employment Benefits Administration	1,000,000.00		
			Law Enforcement Liability	1,000,000.00	16,065.00	14,621.00
One Beacon Insurance			Business Auto			
			Liability Insurance	1,000,000.00		
			Louisiana Uninsured Motorists Coverage - Bodily Injury	300,000.00	69,096.00	57,749.00
			Terrorism Coverage		2,244.00	
			Surcharge		<u>1,046.00</u>	<u>.00</u>
					<u>\$ 133,332.00</u>	<u>\$ 109,771.00</u>
VFIA	VFIS TR-2067220-04	05/01/18 - 05/01/19	Emergency Service Organization	**		

			Portable Equipment		\$	-	\$	-
			Autos - Liability	\$ 1,000,000.00				
			Medical Payments	300,000.00				
			Uninsured Motorists	300,000.00				
			General Liability Coverage	1,000,000.00				
			** Guaranteed Replacement Cost	250.00				
			Fee			-		-
						<u>\$ 21,482.45</u>		<u>\$ 17,902.00</u>
VFIA	VFP 4319-5718E-01	05/01/18 - 05/01/19	Volunteer Firemen					
			Accidental Death Benefit Amount	\$ 75,000.00				
			Illness Loss of Life Benefit Amount	75,000.00				
			Dependent Child & Education					
			Benefit Amount	30,000.00				
			Spousal Support & Education					
			Benefit Amount	15,000.00		<u>\$ 3,704.00</u>		<u>\$ 3,085.00</u>
EMC Insurance Company	5X5-91-96-18	01/01/18 - 01/01/19	Property					
			Property & Equipment Breakdown					
			Buildings	\$ 4,820,730.00				
			Personal Property	3,915,000.00				
			Property in the Open	<u>730,000.00</u>				
			Total	<u>\$ 9,465,730.00</u>		\$ 28,411.00		\$ 14,205.00
			2005 LA Fair Plan			686.76		.00
						<u>\$ 29,097.76</u>		<u>\$ 14,205.00</u>
EMC Insurance Company	5C5-91-96-18	01/01/18 - 01/01/19	Inland Marine					
			Contractors Equipment	\$ 671,583.00		<u>\$ 6,178.00</u>		<u>\$ 2,994.00</u>
Louisiana Workers Compensation Corporation	105877929	01/01/18 - 01/01/19	Workers Compensation					
			Bodily Injury By Accident	\$ 1,000,000.00				
			Bodily Injury By Disease -					
			Policy Limit	1,000,000.00				
			Bodily Injury By Disease -					
			Each Employee	1,000,000.00				
Travelers	105877929	01/01/18 - 01/01/19	Crime Policy					
			Employee Theft	\$ 50,000.00				
			Forgery or Alteration	50,000.00				
			On Premises	25,000.00				
			Claim Expense	5,000.00		<u>\$ -</u>		<u>\$ -</u>
<u>TOTALS</u>						<u>\$ 197,707.71</u>		<u>\$ 147,957.00</u>

The notes are an integral part of these statements. See accompanying notes and auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
CASH ACCOUNTS AND INVESTMENTS
JUNE 30, 2018

SCHEDULE F

<u>GENERAL FUND</u>	<u>INTEREST</u>	<u>GOVERNMENTAL</u>	<u>BUSINESS-TYPE</u>	<u>TOTAL FUNDS</u>
	<u>RATE</u>	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	
Checking				
General Fund	0.150%	\$ 511,519.27	\$.00	\$ 511,519.27
Property Tax Account	-	8,185.69	.00	8,185.69
Property Tax - Protested	-	1,508.04	.00	1,508.04
Payroll Account	-	1,117.76	.00	1,117.76
Accounts Payable	-	1,000.00	.00	1,000.00
 <u>FIRE DEPARTMENT</u>				
Checking	0.050%	63,806.03	.00	63,806.03
Savings	1.250%	747,128.00	.00	747,128.00
Reserve	.500%	429,559.48	.00	429,559.48
 <u>POLICE DEPARTMENT</u>				
Checking	.500%	29,370.29	.00	29,370.29
Police Reserve Account	.500%	1,508.04	.00	1,508.04
 <u>UTILITY FUND</u>				
Water Department				
Checking				
Regular	0.155%	.00	73,093.05	73,093.05
Water Meter	0.150%	.00	14,988.94	14,988.94
Certificates of Deposits				
Water Meter Account	0.650%	.00	191,682.67	191,682.67
Water	1.250%	.00	431,247.70	431,247.70
Water Department Reserve	1.250%	.00	144,889.02	144,889.02
USDA Water Construction	0.500%	.00	35,083.28	35,083.28
USDA Water Debt Service	0.500%	.00	116,687.79	116,687.79
USDA Water Depreciation	0.500%	.00	104,988.85	104,988.85
USDA Water Sinking Fund	0.500%	.00	1,015.86	1,015.86
LCDBG Grant	-	.00	125.29	125.29
Sewer Department				
Checking Sewer	0.050%	.00	48,026.19	48,026.19
LCDBG Grant	-	.00	52.95	52.95
Savings/Certificate of Deposits				
Sewer Depreciation	1.250%	.00	98,509.66	98,509.66
 <u>VOLUNTEER FIRE DEPARTMENT</u>				
Checking	-	36,244.16	.00	36,244.16
 <u>FARMERVILLE AREA FIRE PROTECTION</u>				
Checking	0.150%	4,077.37	.00	4,077.37
 <u>SALES TAX FUNDS</u>				
Checking				
Regular	1.250%	79,456.29	.00	79,456.29
Savings				
Street Sales Tax Fund	1.250%	178,239.31	.00	178,239.31
Street Reserve Fund	1.250%	127,277.40	.00	127,277.40
Capital Projects				
Dozier Creek Checking	-	56.72	.00	56.72
TIF Funds - \$500,000 Bonds				
Checking	.150%	2,866.23	.00	2,866.23
Capital Outlay				
Checking	.210%	22,492.69	.00	22,492.69

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
CASH ACCOUNTS AND INVESTMENTS
JUNE 30, 2018

SCHEDULE F
CONTINUED

<u>SALES TAX FUNDS</u>	<u>INTEREST</u>	<u>GOVERNMENTAL</u>	<u>BUSINESS-TYPE</u>	<u>TOTAL FUNDS</u>
	<u>RATE</u>	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	
<u>USDA</u>				
Equipment Sinking	1.250%	\$ 3,188.86	\$.00	\$ 3,188.86
Equipment Reserve	1.250%	17,989.83	.00	17,989.83
Depreciation & Contingency	.500%	16,269.89	.00	16,269.89
TIF Escrow		9,285.85	.00	9,285.85
<u>2002 SALES TAXES - RECREATION</u>				
Checking	1.250%	99,633.30	.00	99,633.30
Certificate of Deposit	0.500%	339,334.18	.00	339,334.18
Bond Reserve	-	111,059.56	.00	111,059.56
<u>TOTAL</u>		<u>\$ 2,842,174.24</u>	<u>\$ 1,260,391.25</u>	<u>\$ 4,102,565.49</u>
<u>CASH ON HAND:</u>				
General Fund		\$ 300.00	\$.00	\$ 300.00
Police		150.00	.00	150.00
Water		.00	200.00	200.00
Total		<u>\$ 450.00</u>	<u>\$ 200.00</u>	<u>\$ 650.00</u>
<u>GRAND TOTAL</u>		<u>\$ 2,842,624.24</u>	<u>\$ 1,260,591.25</u>	<u>\$ 4,103,215.49</u>

The notes are an integral part of these statements. See accompanying notes and auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO THE ELECTED OFFICIALS
FOR THE YEAR ENDED JUNE 30, 2018

SCHEDULE G

MAYOR	
Stein Baughman	<u>\$ 39,999.96</u>
ALDERMEN / ALDERWOMEN	
Jerry Taylor	\$ 14,800.00
Lavelle Maine	12,200.00
Caroline Gatson	12,300.00
Robert Allen	13,014.96
Ricky Johnikin	<u> 12,300.00</u>
	<u>\$ 64,614.96</u>
MARSHALL	
Bim Culbertson	<u>\$ 9,600.00</u>
POLICE CHIEF	
Bim Culbertson	<u>\$ 54,996.60</u>

The elected officials' term began on January 1, 2017.

See accompanying notes and auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2018

SCHEDULE H

Stein Baughman, Mayor

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ 39,999.96
Benefits - Insurance	\$ 8,867.16
Benefits - Retirement	None
Benefits	None
Telephone	\$ 746.28
Car Allowance	None
Vehicle Provided by Government	\$ 331.89
Per Diem	None
Reimbursements	None
Travel	\$ 1,607.33
Registration Fees	None
Conference Travel	\$ 1,976.59
Continuing Professional Education Fees	None
Housing	None
Unvouchered Expenses	None
Special Meals	None
Uniforms	None
Utilities Discount	\$ 248.00

* Note: The mayor has a Town owned vehicle that he uses to drive in Town. He uses his personal vehicle for out-of-town trips. Personal use of the Town's vehicle is offset against his car allowance. The amount for travel includes gas purchased for the Town's vehicle.

See accompanying notes and auditors' report.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

SCHEDULE I

<u>FEDERAL GRANTOR/PASS- THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>EXPENDITURES</u>
FEMA Grants			
Eagle Point Drive - Road Rebuild and Repairs	14.228	FAR003C	\$ 427,079.22
Road and Culverts Drainage	14.228	FAR005C	108,345.08
Road and Culverts	14.228	FAR007C	<u>63,849.75</u>
Total FEMA Grants *			<u>\$ 599,274.05</u>
 FY 2017 Louisiana Community Development Block Grants (LCDBG)			
Sewer Rehab	14.228	725030	<u>\$ 183,090.09</u>
 Grand Total			<u><u>\$ 782,364.14</u></u>

* These programs are considered Major Programs.

NOTE A - BASIS OF PRESENTATION

The above schedule of expenditures of federal awards above (Schedule I) includes the federal grant activity of the Town of Farmerville, Louisiana under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of the Town of Farmerville, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Town of Farmerville.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Expenditures reported on the schedule are reported on the accrual basis of accounting. Some of amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.
2. Pass-Through entity identifying numbers are presented where available.

See accompanying notes and auditors' report.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS AND THE AGGREGATE REMAINING FUND INFORMATION

GARRETT & GARRETT
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119 PROFESSIONAL DRIVE
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JUDY D. GARRETT

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February 7, 2019

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS AND THE AGGREGATE
REMAINING FUND INFORMATION

To the Honorable Mayor Stein Baughman
and Members of the Board of Aldermen and Alderwomen
Town of Farmerville, 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, each major fund and the aggregate remaining fund information of the Town of Farmerville, Louisiana, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Farmerville, Louisiana's basic financial statements, and have issued our report thereon dated February 7, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Farmerville, Louisiana's financial statements are free from material misstatement, we performed test 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 three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. (See 2018-01, 2018-02, 2018-03)

Town of Farmerville, Louisiana's Response to Findings

The Town of Farmerville, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Farmerville, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

To the Honorable Mayor Stein Baughman
and Members of the Board of Aldermen and Alderwomen
Town of Farmerville, Louisiana
Page 2

Purpose of this Report

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

Garrett and Garrett, CPAs

A handwritten signature in black ink that reads "Garrett & Garrett CPAs". The signature is written in a cursive, somewhat stylized font.

West Monroe, Louisiana
February 7, 2019

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

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JUDY D. GARRETT

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February 7, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Report on Compliance for Each Major Federal Program

We have audited the Town of Farmerville (the Town) compliance with the types of compliance requirements described in the *OMB Circular Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2018. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs, and Management's Corrective Action Plan.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Town'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 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 Town'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 each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Town'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

To the Honorable Mayor Stein Baughman
and Members of the Board of Aldermen and Alderwomen
Town of Farmerville, Louisiana
Page 2

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 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.

Garrett and Garrett, CPAS

Handwritten signature in black ink that reads "Garrett & Garrett CPAS". The signature is written in a cursive, somewhat stylized font.

West Monroe, Louisiana
February 7, 2019

SCHEDULE OF PRIOR YEAR RECOMMENDATIONS
AND QUESTIONED COSTS

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SCHEDULE OF PRIOR YEAR RECOMMENDATIONS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Findings related to the Financial Statements that are required to be reported under Government Auditing Standards.

2017-01 Water System Meter Readings

Internal Control

From 2016

Condition - The Town bills utility customers each month based on the meter readings of each meter. The Town had bills that did not have meter readings or very low readings.

Cause - From our review of the readings and conversations with Town's employees, some of the meters were not read by the meter readers, while other accounts did not have readings due to defective meters.

Effect - Since the Town does not have correct meter readings, the Town will lose money in their monthly billing. This will also cause public relation problems with these accounts when the meters are actually read and the customer receives a huge bill.

Recommendation - We recommend that the Town monitor low or no readings and investigate why the readings are low on a monthly basis.

Management's Corrective Action Plan - The Town purchased 300 new meters and are in the process of replacing defective meters. The business office personnel is monitoring low readings and notifying management of any continuing problems.

Action Taken in 2018 - The Town replaced a number of the water meters that were defective and the Town has changed some of their procedures to keep these problems to a minimum.

2017-02 Police Tickets

Internal Control

From 2016

Condition - According to the Louisiana Legislative Auditor's Best Practice over Traffic Tickets the Town should account for the numerical sequence of tickets issued and account for the final disposition of citations monthly.

Cause - The Town does not maintain a numerical sequence of the traffic tickets and we did not find that anyone was monitoring the disposition of the tickets on a monthly basis.

Effect - In the prior year, one of the employees stole police ticket payments by manipulating the police ticket receivable system by not posting payments and tickets to the system. If no one is monitoring the ticket numbers and disposition of the tickets then the loss of funds could occur again.

Recommendation - We recommend that the Town reconcile the outstanding tickets each month and report these findings to the police department and the business office. We also recommend a monthly report of the unpaid tickets be given to the Chief of Police and the Town's business office to monitor any outstanding tickets.

Management's Corrective Action Plan - The Town will have the court secretary check the ticket system to make sure that all tickets numbers are accounted for and report to the Chief of Police and Mayor outstanding tickets.

Action Taken in 2018 - The Town now has a numeric file for police tickets and are monitoring the numbers.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SCHEDULE OF PRIOR YEAR RECOMMENDATIONS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

2017-03 Mileage Logs

Internal Control

From 2014

Condition - The Town is to maintain mileage logs on the Town's vehicles. Some employees take the Town vehicle home and use it for commuting to and from work. According to Town policy the vehicle are to be used only for commuting and no other personal mileage is allowed.

Cause - The Town does not review the mileage on a per person basis and are not made accountable for the mileage they drive. The Mayor reviews the total gasoline purchased by each individual which would show any anomalies in the cost of the fuel but does not necessarily show any personal miles driven on the automobiles.

Effect - Based on our conversation with the IRS, to be compliant with IRS requirements the Town would have to monitor the mileage and actively prohibit any personal mileage. Because the mileage log does not include details of the reason for the mileage, the IRS may reject the logs and require that any employee that takes the vehicles home include the total mileage as personal and add to their W2 the fair value rental of the vehicle. This would increase the Town's taxes payable to the federal government as well as the individual.

Recommendation - We recommend as a minimum that any out- of- town trips be documented either when the mileage is called in or with a separate log. In addition, the employees need to be encouraged to log in their mileage daily. The IRS defined what vehicles could be exempt from the commuting rules. Commuting is considered personal miles however; there is an exception for first responders. According to their definition only vehicles such as police cars and rescue units driven by firemen are considered. To be considered an exception to the commuting inclusion rules, trucks and autos have to include equipment such as emergency lights bar, radios, and other items found in a typical police car, as well as decals or permanent signs that indicate the vehicle is a fire department or police department vehicle. For the employees that do not qualify as first responders and only have commuting mileage, the Town can use \$3 a day for personal miles and include that figure as income on their W2s.

Management's Corrective Action Plan - The Town will have each supervisor document any out of Town trips made and any unusual mileage over the employee's average daily mileage. The Town will develop procedures to comply with the IRS requirements.

Actions Taken in 2018 - The Town is monitoring the cost of gasoline purchases on a monthly basis. The cost of personal mileage is added to the employee's W2 income.

2017-04 Payroll Records

Internal Control

From 2016

Condition - The Town uses time clocks to record time worked for each of its employees both hourly and salaried. From our review of these records it appears that a number of the employees are not clocking in or out properly requiring the supervisors or the payroll clerk to override or correct the time recorded. In some of the time records overtime pay is not documented.

Cause - The Town's time clocks are located in several different locations in the Town's facilities. The time clocks use thumb or finger prints to clock an employee in or plastic cards. Some of the overrides are due to the fact that employees are working out of the office and it is impractical for them to clock in and out or they are on vacation or sick. However it appears the major issue is the employees are just not clocking in or out. The Town has not been requiring employees to have overtime approved before it is worked.

Effect - The Town installed the clocks to keep up with the time for each employee. If the employees are not properly using the clocks, this could cause extra unnecessary work for the Town's supervisors and payroll clerk. This would also allow extra pay to be generated that may not have been due to the employees in the form of overtime.

Recommendation - We recommend the Town review their payroll policy and make revisions to their policy for actions to be taken for chronic offenders that do not use the time clocks properly. We also recommend the Town review their policy on overtime. We recommend that unless the overtime is due to an emergency situation, all overtime has to be approved by the employee's supervisor prior to working the overtime. The Town needs to review their overtime policy to make sure they are in accordance with any new labor laws in effect.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SCHEDULE OF PRIOR YEAR RECOMMENDATIONS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Management's Corrective Action Plan - The Town's management will discuss with each supervisor the problems with the overtime and time clock issues and come up with a policy to try to correct these problems. The employees that work out of the office will be charged a lunch deduction from their daily time to prevent them from having to clock out at noon. This will only require them to clock out at the end of the day.

Action Taken in 2018 - The council changed the way overtime is calculated. Supervisors have to approve hours that are not accounted for correctly on the time card system.

2017-05 Petty Cash and Change Funds

Internal Control

Condition - The Town's departments have several cash change funds and petty cash funds used to buy small items and make change for customers who pay for certain charges.

The Recreation Center does not have a change fund. At one time the Center did have a change fund but they do not have one now. The Clerk told me that if someone came in that needed change on their payment and they did not have enough money in their daily collections, the employee told them to go to the bank and get change. We asked what happened to the change fund and they said it disappeared when the last director left. However, they do not know for sure if he actually took the money or used it to pay for supplies for the Center.

In the Police Department, there is a petty cash fund in the Chief's office that is locked up. The Clerk said they started keeping small fees they charged to individuals so they could use it for change and supplies because they could not get to the Chief's petty cash. From what we observed, the Town does not replenish petty cash funds on a routine basis, so there is no accounting for these purchases or payments at least yearly. The cashiers are not posting cash short and overs when their boxes do not equal the correct amount on a timely basis.

Cause - the Town does not have a policy regarding procedures for the use of the change funds and petty cash funds.

Effect - These funds although not individually material may be abused by Town employees of purchases that do not have a business purpose for the Town.

Recommendation - We recommend that the Town write up a petty cash policy to include what type of purchases or services are to be paid out of the petty cash fund. Since the Town has accounts with Wal Mart and other businesses in Town, we would put a limit on any supplies paid through petty cash. The Town needs to require that receipts for payments made out of the petty cash funds be given to the payables clerk to record and replenish the fund on a timely basis.

We recommend that payments out of a change fund be prohibited. A change fund is used to make change for customers paying the Town for services or other reasons, payments should never be taken out of a change fund.

The Town's departments are required by policy to deliver all collections and receipts to the Town's business office. The Town should advise each department of this policy and have written discipline procedure for the employees that do not follow the policy. The Town should also set up change funds in those departments that need them.

We recommend the Town require cashiers to record cash short and over on a daily basis.

Corrective Action Plan - The Town agrees with the recommendation and will set up a change fund in the Recreation Department. They will also update their procedures to make sure all funds are deposited for collections.

Action Taken in 2018 - All other recommendations were completed in 2018.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SCHEDULE OF PRIOR YEAR RECOMMENDATIONS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

2017-06 Utility Customer Cut offs

From 2016

Internal Control

Condition- The Town is not terminating utility services on some of its customers for non-payment. Some of the documentation on these customers indicates that their water meter is locked off; however, they still have usage in the following months. Some of the customers have never paid and they still receive service.

Cause - The cut off policy appears not to be enforced by the Town.

Effect - The Town is losing money each month on services. The Town is also in violation of Louisiana Constitution Article 7 section 14(A) which prohibits the Town from loaning, pledging or donating funds, credit, property, or things of value of the Town.

Recommendation - We recommend that the cut off procedures be reviewed to find out why certain customers are not cut off. If the reason for not cutting someone off is because of a water leak; then the Town should require at least a minimum payment of their bill or a payment equal to their average bill, until the bill can be adjusted. We also recommend that the cut off list be approved by the mayor, a council member or a subcommittee of the council. The Town should prohibit any one person from deciding if a customer services should either not be turned off or on. All actions in these matters should follow the Town's written policy or ordinance.

Corrective Action Plan - The Town will follow their written policy as it refers to cut offs.

Action Taken in 2018 - The Town has addressed the issue with a change of personnel responsibility.

2017-07 – Meal Per Diem Rate

Internal Control

Condition - The Town set their meals and other incidental expense rate at \$75 per day which is higher than the IRS approved rate. The approved rate for 2018 is \$51 a day for all areas in Louisiana except for \$59 in Baton Rouge and \$64 for New Orleans including certain areas in central Louisiana. According to policy, actual meal expense can be reimbursed as long as the Town receives a receipt for the meal.

Cause - The Town set up the rate a few years ago and has not checked the federal rates to make sure they are in compliance. Their policy lists rates of \$50 in Louisiana and \$70 for New Orleans and Baton Rouge and out of state travel. A couple of years ago they changed the per diem to \$75 a day. They were under the understanding this rate was the approved federal rate.

Effect - Federal tax laws require employers to include in the employee's W2 per diem reimbursement of more than the federal guidelines for business meals and incidentals.

Recommendation - We recommend that employees that are paid for actual meal expenses be limited to the per diem rates. We also recommend the Town update their travel reimbursement policy to be limited to the federal guidelines for meal and incidentals per diem. If the Town does chooses to keep the per diem at the higher rate, then the difference in the rates should be included as part of their W2 income.

Corrective Action Plan - The Town will update their policy to include the maximum reimbursement to the federal rates. The Town will also limit the reimbursement for actual meal charges to the per diem rates.

Action Taken in 2018 - The Town chose not to change their per diem rate to the federal published rates. The Town's rate is anywhere \$5 to \$25 a day higher than the approved federal rate for meals. This difference is to be added to the employees W2 income which was not added to 2018's w2.

SCHEDULE OF FINDINGS, QUESTIONED COSTS AND MANAGEMENT'S CORRECTIVE ACTION PLAN

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Part I. Summary of Auditors' Results:

1. The auditors' report expresses an unmodified opinion on whether the financial statements of the Town were prepared in accordance with GAAP.
2. There were no deficiencies in internal control that were required to be reported in accordance with Governmental Auditing Standards.
3. There were instances of noncompliance that were 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 auditors' report on compliance for the major federal award program for the Town of Farmerville 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).
7. The following program is considered to be a major program: Road Rebuild and Repairs
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The Town did not qualify as a low-risk auditee.

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

Compliance Findings

See findings 2018-01, 2018-02 and 2018-03 on the summary Schedule of Current Year Auditing Findings and Corrective Action Plan.

Internal Control Findings:

There were no internal control findings.

Part III: Findings and questioned costs for Federal awards 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 June 30, 2018.

Internal Control Findings:

There were no internal control findings noted for the year ended June 30, 2018.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SCHEDULE OF FINDINGS, QUESTIONED COSTS AND MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2018

FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO BE REPORTED UNDER GOVERNMENT AUDIT STANDARDS

Our recommendations are the result of our assessment of the current procedures and practices of the Town's operations and are intended to improve controls over financial operations, provide advice in implementing good business practices, and ensure compliance with state laws. However, management of the Town should consider the cost of implementing our recommendations compared to the benefits they will provide.

2018-01 – Meal Per Diem Rate (Compliance)

Condition - The Town set their meals and other incidental expense rate at \$75 per day which is higher than the IRS approved rate. The approved rate for 2018 is \$51 a day for all areas in Louisiana except for \$59 in Baton Rouge and \$64 for New Orleans including certain areas in central Louisiana. According to policy, actual meal expense can be reimbursed as long as the Town receives a receipt for the meal.

Cause - The Town set up the rate a few years ago and has not checked the federal rates to make sure they are in compliance. Their policy lists rates of \$50 in Louisiana and \$70 for New Orleans and Baton Rouge and out of state travel. A couple of years ago they changed the per diem to \$75 a day. They were under the understanding this rate was the approved federal rate.

Effect - Federal tax laws require employers to include in the employee's W2 per diem reimbursement of more than the federal guidelines for business meals and incidentals.

Recommendation - We recommend that employees that are paid for actual meal expenses be limited to the per diem rates. We also recommend the Town update their travel reimbursement policy to be limited to the federal guidelines for meal and incidentals per diem. If the Town does chooses to keep the per diem at the higher rate, then the difference in the rates should be included as part of their W2 income.

Management's Corrective Action Plan - The Town will keep the current per diem rate of \$75 a day. The difference in the per diem rate paid and the Internal Revenue published rate will be added to the employee's W2 income as additional taxable income. The Town will also consider limiting the meal reimbursement policy for actual meals to equal the per diem rate.

2018-02 Budget (Compliance)

Condition - The governmental fund budgeted revenues and expenditures exceeded the actual by more than 5% due to grant income that was received in this fiscal year but was actually recorded as revenue in fiscal 2017.

Criteria - The actual revenues and expenditures in general funds should not exceed the estimated budgeted expenditures by more than 5 percent.

Effect - The Town's budget is required by state statute RS 39:1301-1315 to be within 5% of actual.

Recommendation - Management should review budgeted transactions for accuracy and completeness.

Management's Corrective Action Plan - Management agrees with the recommendation but also feels this is an unusual transaction that should not occur in the future.

2018-03 Reporting Requirement (Compliance)

Condition - The Town is late filing their financial statements to the Legislative Auditor's office. The Town has 5 employees in their business office not including the Town clerk. Two of the employees died within 10 days of each other. A third employee experience serious medical problems and has not returned to work. The mayor was involved in a serious automobile accident causing the Town Clerk to cover some of the duties the mayor preformed. The lead auditor was also involved in an automobile accident and was unable to finish the audit until after the due date.

Criteria - Louisiana Revised Statutes require that governmental units file their financial statements annually with the Legislative Auditor's Office within six months of the entity's year end.

Effect - The Town is not in compliance with the Louisiana requirements.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SCHEDULE OF FINDINGS, QUESTIONED COSTS AND MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2018

Recommendation - The Town should have their audit completed in time to file with the Legislative Office within six months of the Town's year end closing.

Management's Corrective Action Plan - The Town agrees with the recommendation and does not anticipate these problems to happen in future years.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SCHEDULE OF FINDINGS, QUESTIONED COSTS AND MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2018

Managements Corrective Action Plan

Finding 2018-01 The Town will keep the current per diem rate of \$75 a day. The difference in the per diem rate paid and the Internal Revenue published rate will be added to the employee's W2 income as additional taxable income. The Town will also consider limiting the meal reimbursement policy for actual meals to equal the per diem rate.

Finding 2018-02 Management agrees with the recommendation but also feels this is an unusual transaction that should not occur in the future.

Finding 2018-03 The Town agrees with the recommendation and does not anticipate these problems to happen in future years.

Town of Farmerville
Agreed Upon Procedures
For the Year Ending June 30, 2018

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INDEPENDENT ACCCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Town of Farmerville and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Town of Farmerville (Town) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures for the fiscal year ending June 30, 2018. The Town's management is responsible for those control and compliance areas identified in the Statewide Agreed-Upon Procedures.

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

The Procedures and associated findings are as follows:

Written Policies and Procedures

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

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers. *(See finding 2018-01) The Town per diem rate for food was not updated to current allowable rates.*
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

All areas were addressed in their current policies except the food and entertainment rate.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The board met at least monthly.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

The minutes do not refer to budget-to-actual comparisons for any fund.
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

The Town did not have a negative ending unrestricted fund balance on the prior year audit report in the general fund.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged); ***We did not note any exceptions.***
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and ***We did not note any exceptions.***
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable. ***We did not note any exceptions.***

Collections

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

There are three collections locations.

No Exception Noted.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

The Town has three sites in which collections are made. No exceptions were noted.

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

Employees in the business office do not share cash drawers. The police department and the recreation department do share cash drawers.

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

In the business office, the employees that collect cash are not responsible for preparing bank deposits and reconciling collection documentation. The police and recreation departments bring their collections to the business office for deposit. The same employee that collects the cash in these two departments also documents and does any reconciliation before they bring the collections to the business office.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit. ***We did not note any exceptions.***
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation. ***We did not note any exceptions.***
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft. ***The Town has insurance coverage (See schedule of insurance)***
 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day. *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100). ***We did not note any exceptions to procedures a-d.***
 - e) Trace the actual deposit per the bank statement to the general ledger. ***We did not note any exceptions to procedures.***

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5). ***We obtained the listing and selected the locations from the listing.***
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase. ***Depending on the cost of the purchase, a supervisor can place an order, however, at least two employees or management is involved in the other functions of a purchase.***
 - b) At least two employees are involved in processing and approving payments to vendors. ***We did not note any exceptions.***
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files. ***The Town's policy does not prohibit this procedure.***

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

The person that processes the payments also mails the signed checks.

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

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

We noted no exceptions.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable. *We checked disbursements from each of the employees that write checks and noted no exceptions from the Town's purchasing policy.*

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete. *We obtained the list from management.*

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.] *I did not have approvals from management of the 58 charges reviewed.*

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

We did not observe any paid finance charges or late fees.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). *A third of the charges did not have an invoice attached, 7 did not list a reason for the charge and 1 meal charge of the 4 reviewed did not list the individuals participating in the meal.*

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

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

documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov). **The rate used does not agree with either agency rates for meals. Vehicle reimbursement is based on the per diem rate issued by the Internal Revenue Service.**
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased. **We did not find any exceptions.**
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h). **We did not find any exceptions.**
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement. **We did not find any exceptions.**

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law. **All were bid out and the lowest bid was taken.**
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter). **We noted no exception to this procedure.**
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment. **Only 1 contract had a change order and the contract did provide for the amendment.**
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract. **All invoices were within contract terms and were approved by the appropriate parties.**

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning

leave according to policy and/or contract, the official should document his/her daily attendance and leave.) *All time was documented.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials. *One of the supervisors did not sign the time sheet, however the supervisor did approve overtime on a separate sheet. All other time sheet were signed by the supervisors.*
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records. *We did not note any exceptions for this procedure.*
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files. *We obtained the listing and noted no exceptions.*
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines. *We obtained the management's representation that all payroll related forms and contributions have been filed and paid on time.*

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above' obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period. *Of the employees that were selected only 50% completed the training.*
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period. *We did not find any exceptions to this procedure.*

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued. *The Town did not issue any debt in this fiscal year.*
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.
- We did not find any exceptions to this procedure.*

Other

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

legislative auditor and the district attorney of the parish in which the entity is domiciled. ***The Town did not have any misappropriations of funds or assets during this fiscal year.***

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

The Town has the notice posted on their web site and on the premises.

Management's Response

We concur with the results of the procedures and are working to address areas that need improvements.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion respectively, on those control and compliance areas identified in the Statewide Agreed-Upon Procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Garrett and Garrett, CPAS

A handwritten signature in cursive script that reads "Garrett & Garrett CPAs".

West Monroe, Louisiana

February 7, 2019