

**TOWN OF PLAIN DEALING, LOUISIANA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2016**

**Marsha O. Millican  
A Professional Accounting Corporation  
Shreveport, Louisiana**

**TOWN OF PLAIN DEALING**

December 31, 2016

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**TOWN OF PLAIN DEALING**  
December 31, 2016

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**INDEPENDENT AUDITOR'S REPORT**



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## Independent Auditor's Report

To the Mayor and Members  
of the Board of Aldermen  
Town of Plain Dealing, Louisiana

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

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Plain Dealing, Louisiana, as of and for the year ended December 31, 2016, and the related notes to the 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my 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 Town of Plain Dealing, Louisiana, as of December 31, 2016 and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

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SHREVEPORT, LA 71104-3036  
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## **Other Matters**

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer pension contributions be presented to supplement the basic financial statements. Such information is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### ***Other Supplementary Information***

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation paid to members of the board of aldermen and compensation, benefits, and other payments to agency head or chief executive officer are presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the responsibility of management and was derived from and related directly to the underlying accounting and other records to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued my reported dated June 27, 2017 on my consideration of Town of Plain Dealing's internal control over functional reporting and on my 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 my 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 Plain Dealing's internal control over financial reporting and compliance.

*Marsha D. Millman*

Certified Public Accountant  
June 27, 2017

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



**TOWN OF PLAIN DEALING, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2016**

The Management's Discussion and Analysis of the Town of Plain Dealing's financial performance presents a narrative overview and analysis of the Town of Plain Dealing's financial activities for the year ended December 31, 2016. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Town of Plain Dealing's financial statements.

**FINANCIAL HIGHLIGHTS**

Governmental Activities

- 1) The Town of Plain Dealing had cash and investments of \$1,870,932 at December 31, 2016, which represents a decrease of \$24,652 from prior year end.
- 2) The Town of Plain Dealing had accounts receivable of \$37,605 at December 31, 2016 which represents an increase of \$17,261 from prior year end.
- 3) The Town of Plain Dealing had accounts payable and accruals of \$144,879 at December 31, 2016 which represents an increase of \$32,866 from prior year end.
- 4) The Town of Plain Dealing had total revenues of \$937,026 for the year ended December 31, 2016 which represents a decrease of \$105,701 from prior year end.
- 5) The Town of Plain Dealing had total expenses of \$1,140,113 for the year ended December 31, 2016 which represents an increase of \$156,090 from prior year end.
- 6) The Town of Plain Dealing had capital asset purchases of \$31,018 for the year ended December 31, 2016 which represents an increase of \$23,978 from prior year.

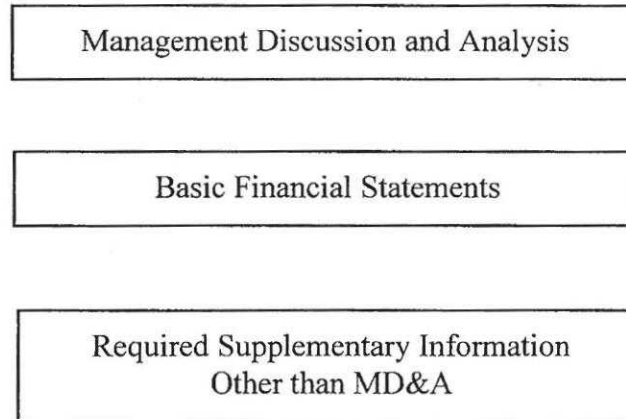
Business-Type Activities

- 1) The Town of Plain Dealing had cash and investments of \$625,303 for the year ended December 31, 2016 which represents a decrease of \$20,360 from prior year.
- 2) The Town of Plain Dealing had accounts receivable of \$68,397 for the year ended December 31, 2016 which represents an increase of \$24,819 from prior year.
- 3) The Town of Plain Dealing had accounts payable and accruals of \$53,314 for the year ended December 31, 2016 which represents an increase of \$8,907 from prior year.
- 4) The Town of Plain Dealing had total revenues of \$497,910 for the year ended December 31, 2016 which represents an increase of \$86,845 from prior year.
- 5) The Town of Plain Dealing had total expenses of \$650,114 for the year ended December 31, 2016 which represents an increase of \$54,078 from prior year.
- 6) The Town of Plain Dealing received through capital projects and purchases capital assets of \$237,714 for the year ended December 31, 2016 which represents an increase of \$84,828 from prior year.

**TOWN OF PLAIN DEALING, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**DECEMBER 31, 2016**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for the Town of Plain Dealing as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments.



These financial statements consist of three sections-Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town of Plain Dealing as a whole and present a longer-term view of the Town's finances. Fund financial statements are also included. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

**Reporting the Town as a Whole**

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**TOWN OF PLAIN DEALING, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**DECEMBER 31, 2016**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

These two statements report the Town's net position and changes in them. You can think of the Town's net position, the difference between assets and liabilities, as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

Governmental Activities

Most of the Town's basic services are reported here. Taxes, licenses and permits, interest income, rental income, fines and forfeits, and miscellaneous other revenues finance most of these activities.

Business-Type Activities

The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water system, sewer system, and cemeteries are reported here.

**Reporting the Town's Most Significant Funds**

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town Board of Aldermen may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds

Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's activities as well as what remains for future spending.

Proprietary Funds

When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the Town's enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows.

**TOWN OF PLAIN DEALING, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**DECEMBER 31, 2016**

**FINANCIAL ANALYSIS OF THE ENTITY**

	Statement of Net Position			
	As of Year End			
	Governmental Activities		Business-Type Activities	
	2016	2015	2016	2015
Current and other assets	\$ 2,047,815	\$ 2,203,915	\$ 731,644	\$ 721,727
Capital assets, net	<u>1,365,478</u>	<u>1,428,920</u>	<u>2,648,624</u>	<u>2,568,365</u>
<b>Total Assets</b>	<u>3,413,293</u>	<u>3,632,835</u>	<u>3,380,268</u>	<u>3,290,092</u>
Deferred outflows of resources	<u>70,433</u>	<u>84,764</u>	<u>0</u>	<u>0</u>
Other liabilities	145,464	112,815	62,043	61,334
Long-term liabilities	<u>147,144</u>	<u>127,694</u>	<u>70,105</u>	<u>67,125</u>
<b>Total Liabilities</b>	<u>292,608</u>	<u>240,509</u>	<u>132,148</u>	<u>128,459</u>
Deferred inflows of resources	<u>7,740</u>	<u>7,842</u>	<u>0</u>	<u>0</u>
<b>Net position</b>				
Net investment in capital assets	1,365,478	1,428,920	2,648,624	2,568,365
Restricted	1,790,473	1,824,278	77,482	0
Unrestricted	<u>27,427</u>	<u>216,050</u>	<u>522,014</u>	<u>593,268</u>
<b>Total Net Position</b>	<u>\$ 3,183,378</u>	<u>\$ 3,469,248</u>	<u>\$ 3,248,120</u>	<u>\$ 3,161,633</u>

Net Position of the Town's Governmental Activities decreased by \$285,870.

Net Position of the Town's Business-Type Activities increased by \$86,487 due to operations (See table below).

	Statement of Activities			
	For the Year Ended			
	Governmental Activities		Business-Type Activities	
	2016	2015	2016	2015
General government				
Expenses	\$ (1,240,157)	\$ (984,023)	\$ (650,114)	\$ (596,036)
Interest Expense	0	0	0	0
Program revenues				
Charges for services	136,481	131,889	497,910	411,065
Operating and capital grants and contributions	<u>0</u>	<u>0</u>	<u>246,467</u>	<u>0</u>
<b>Subtotal</b>	(1,103,676)	(852,134)	94,263	(184,971)
General revenues and transfers	<u>817,806</u>	<u>826,693</u>	<u>(7,776)</u>	<u>67,372</u>
Change in net position from operations	<u>\$ (285,870)</u>	<u>\$ (25,441)</u>	<u>\$ 86,487</u>	<u>\$ (117,599)</u>

The Town of Plain Dealing's total revenues and transfers decreased by \$4,295 from the previous fiscal year in the Governmental Activities and increased by \$258,164 in the Business-Type Activities. The total cost of all programs and services increased \$256,134 in Governmental Activities and increased \$54,078 in Business-Type Activities from the previous fiscal year.

**TOWN OF PLAIN DEALING, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**DECEMBER 31, 2016**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2016, the Town of Plain Dealing had \$1,365,478 and \$2,648,624 net of depreciation, in Governmental Activities and Business-Type Activities, respectively, invested in a broad range of capital assets (See table below). This amount represents a net decrease of \$63,442 in Governmental Activities and a net increase of \$80,259 Business-Type Activities from the previous year.

	Capital Assets at Year End (Net of Depreciation)			
	Governmental Activities		Business-Type Activities	
	2016	2015	2016	2015
Land and Right-of-ways	\$ 488,281	\$ 488,281	\$ 20,079	\$ 20,079
Buildings and other improvements	686,728	730,654	16,135	16,135
Sewer Plant/Water Distribution System	0	0	2,607,819	2,526,540
Equipment, Furniture, and Fixtures	190,469	209,985	4,591	5,611
Total	<u>\$ 1,365,478</u>	<u>\$ 1,428,920</u>	<u>\$ 2,648,624</u>	<u>\$ 2,568,365</u>

The following is the addition and retirements for the Town of Plain Dealing as of December 31, 2016:

This year's major additions included:

	Governmental Activities	Business-Type Activities
Buildings and other improvements	\$ 0	\$ 0
Equipment, Furniture, and Fixtures	31,018	2,448
Sewer Plant / Water Distribution System	0	235,266
Total	<u>\$ 31,018</u>	<u>\$ 237,714</u>

This year's major retirements included:

Equipment, Furniture, and Fixtures	\$ 0	\$ 0
Sewer Plant / Water Distribution System	0	0
	<u>\$ 0</u>	<u>\$ 0</u>

**Debt**

The Town of Plain Dealing had no long- term liabilities payable for Governmental Activities and Business-Type Activities for the years ended December 31, 2016 and 2015.

New debt during the year included:

None.

**TOWN OF PLAIN DEALING, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**DECEMBER 31, 2016**

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Actual revenues were \$10,524 less than budgeted amounts due to sales taxes, intergovernmental and other various revenues being smaller than expected.

Actual expenditures were \$21,987 less than budgeted amounts due to anticipated expenses not incurring in the current year.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Town of Plain Dealing's elected officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Taxes
- 2) Intergovernmental revenues (state and local grants)
- 3) Licenses and permits

**CONTACTING THE TOWN OF PLAIN DEALING'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town of Plain Dealing's finances and to show the Town of Plain Dealing's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mayor David Smith at 318-326-4234 or P.O. Box 426, Plain Dealing, Louisiana 71064.

**FINANCIAL STATEMENTS**

**TOWN OF PLAIN DEALING, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2016**

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets			
Cash	\$ 1,743,792	\$ 547,821	\$ 2,291,613
Investments	67,905	0	67,905
Accounts receivable	37,605	68,397	106,002
Due from other funds	8,985	329	9,314
Restricted assets-cash	30,276	46,482	76,758
Restricted assets-certificates of deposit	28,959	31,000	59,959
Capital Projects in Progress	37,065	0	37,065
Prepaid expenses	87,134	37,615	124,749
Deposits	6,094	0	6,094
Capital assets, net	1,365,478	2,648,624	4,014,102
Total Assets	<u>3,413,293</u>	<u>3,380,268</u>	<u>6,793,561</u>
Deferred outflows of resources	<u>70,433</u>	<u>0</u>	<u>70,433</u>
Total Assets and Deferred Outflows of Resources	<u>3,483,726</u>	<u>3,380,268</u>	<u>6,863,994</u>
LIABILITIES			
Current Liabilities			
Accounts payable	144,879	53,314	198,193
Due to other funds	585	8,729	9,314
Customer deposits	0	70,105	70,105
Total Current Liabilities	<u>145,464</u>	<u>132,148</u>	<u>277,612</u>
Noncurrent Liabilities			
Net pension liability	<u>147,144</u>	<u>0</u>	<u>147,144</u>
Total Noncurrent Liabilities	<u>147,144</u>	<u>0</u>	<u>147,144</u>
Deferred inflows of resources	<u>7,740</u>	<u>0</u>	<u>7,740</u>
Total Liabilities and Deferred Inflows of Resources	<u>300,348</u>	<u>132,148</u>	<u>432,496</u>
NET POSITION			
Net investment in capital assets	1,365,478	2,648,624	4,014,102
Restricted	1,790,473	77,482	1,867,955
Unrestricted	27,427	522,014	549,441
Total Net Position	<u>\$ 3,183,378</u>	<u>\$ 3,248,120</u>	<u>\$ 6,431,498</u>

The accompanying notes are an integral part of this statement.



**TOWN OF PLAIN DEALING, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary Government							
Governmental Activities							
General government	\$ 343,686	\$ 136,481	\$ 0	\$ 0	\$ (207,205)	\$ 0	\$ (207,205)
Public safety	434,518	0	0	0	(434,518)	0	(434,518)
Street and sanitation	132,226	0	0	0	(132,226)	0	(132,226)
Capital projects	235,267	0	0	0	(235,267)	0	(235,267)
Contributions to other government agencies	0	0	0	0	0	0	0
Depreciation	94,460	0	0	0	(94,460)	0	(94,460)
Total Governmental Activities	<u>1,240,157</u>	<u>136,481</u>	<u>0</u>	<u>0</u>	<u>(1,103,676)</u>	<u>0</u>	<u>(1,103,676)</u>
Business-Type Activities							
Utility funds	642,850	490,910	0	246,467	0	94,527	94,527
Cemetary fund	7,264	7,000	0	0	0	(264)	(264)
Interest expense	0	0	0	0	0	0	0
Total Primary Government	<u>\$ 1,890,271</u>	<u>\$ 634,391</u>	<u>\$ 0</u>	<u>\$ 246,467</u>	<u>(1,103,676)</u>	<u>94,263</u>	<u>(1,009,413)</u>
General Revenues							
Property taxes					32,694	0	32,694
Franchise taxes					21,895	0	21,895
Sales taxes					329,522	0	329,522
Other taxes					33,807	0	33,807
License and permits					20,771	0	20,771
Intergovernmental					319,147	0	319,147
Interest income					6,303	2,979	9,282
Rental income					5,500	0	5,500
Fines and forfeits					19,342	0	19,342
Operating transfers					10,755	(10,755)	0
Parks and recreation					5,406	0	5,406
Donations					3,583	0	3,583
Other revenues					9,081	0	9,081
Total General Revenues					<u>817,806</u>	<u>(7,776)</u>	<u>810,030</u>
Change in Net Position					<u>(285,870)</u>	<u>86,487</u>	<u>(199,383)</u>
Net Position, Beginning of year					3,469,248	3,161,633	6,630,881
Prior period adjustment					0	0	0
Net Position, Beginning of year					<u>3,469,248</u>	<u>3,161,633</u>	<u>6,630,881</u>
Net Position, End of year					<u>\$ 3,183,378</u>	<u>\$ 3,248,120</u>	<u>\$ 6,431,498</u>

The accompanying notes are an integral part of this statement.

**TOWN OF PLAIN DEALING, LOUISIANA**  
**BALANCE SHEET -**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2016**

	General Fund	Sales Tax	Industrial Development	General and Public Facilities	Total
<b>Assets</b>					
Cash	\$ 102,175	\$ 13,839	\$ 1,627,711	\$ 67	\$ 1,743,792
Investments	0	0	67,905	0	67,905
Accounts receivable	37,605	0	0	0	37,605
Due from other funds	8,985	0	0	0	8,985
Restricted assets - cash	30,276	0	0	0	30,276
Restricted assets - certificates of deposit	28,959	0	0	0	28,959
Capital Projects in Progress	0	0	0	37,065	37,065
Prepaid expenses	87,065	0	68	0	87,133
Deposits	6,094	0	0	0	6,094
<b>Total Assets</b>	<b>\$ 301,159</b>	<b>\$ 13,839</b>	<b>\$ 1,695,684</b>	<b>\$ 37,132</b>	<b>\$ 2,047,814</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 130,115	\$ 0	\$ 104	\$ 14,660	\$ 144,879
Due to other funds	0	88	174	323	585
<b>Total Liabilities</b>	<b>130,115</b>	<b>88</b>	<b>278</b>	<b>14,983</b>	<b>145,464</b>
<b>Fund Balances</b>					
Nonspendable	87,065	0	68	0	87,133
Assigned	59,235	13,751	1,695,338	22,149	1,790,473
Unassigned	24,744	0	0	0	24,744
<b>Total Fund Balances</b>	<b>171,044</b>	<b>13,751</b>	<b>1,695,406</b>	<b>22,149</b>	<b>1,902,350</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 301,159</b>	<b>\$ 13,839</b>	<b>\$ 1,695,684</b>	<b>\$ 37,132</b>	<b>\$ 2,047,814</b>

The accompanying notes are an integral part of this statement.

**TOWN OF PLAIN DEALING, LOUISIANA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2016**

Total Fund Balances for Governmental Funds (Exhibit C)	\$	1,902,350
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Total Net Position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$	488,281	
Buildings and other improvements, net of \$1,275,599 in accumulated depreciation		686,728	
Equipment, furniture, and fixtures, net of \$872,535 in accumulated depreciation		190,469	
Total Capital Assets			1,365,478

Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the fund liabilities. Those liabilities consist of:

Net pension liability	(147,144)		
Total Long-term Liabilities			(147,144)

Deferred outflows and inflows of resources do not affect the current period and, therefore, they are not reported in the governmental fund balance sheet:

Deferred outflows of resources related to pensions	70,433		
Deferred inflows of resources related to pensions	(7,740)		
Total Deferred Outflows and Inflows			62,693

Total Net Position of Governmental Activities (Exhibit A)	\$	3,183,378
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The accompanying notes are an integral part of this statement

**TOWN OF PLAIN DEALING, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	General Fund	Sales Tax	Industrial Development	General and Public Facilities	Total
<b>REVENUES</b>					
Property taxes	\$ 32,694	\$ 0	\$ 0	\$ 0	\$ 32,694
Franchise taxes	21,895	0	0	0	21,895
Sales taxes	0	329,522	0	0	329,522
Other taxes	33,807	0	0	0	33,807
Licenses and permits	20,771	0	0	0	20,771
Intergovernmental	241,485	0	0	77,662	319,147
Interest income	824	16	5,463	0	6,303
Charges for services	136,481	0	0	0	136,481
Rental income	5,500	0	0	0	5,500
Fines and forfeits	19,342	0	0	0	19,342
Parks and recreation	5,406	0	0	0	5,406
Other Revenues	6,158	0	0	0	6,158
<b>Total revenues</b>	<b>524,363</b>	<b>329,538</b>	<b>5,463</b>	<b>77,662</b>	<b>937,026</b>
<b>EXPENDITURES</b>					
General government	341,583	99	2,004	0	343,686
Public safety	397,916	0	0	0	397,916
Street and sanitation	132,226	0	0	0	132,226
Capital outlays	31,018	0	0	0	31,018
Project expenditures	0	0	0	235,267	235,267
<b>Total Expenditures</b>	<b>902,743</b>	<b>99</b>	<b>2,004</b>	<b>235,267</b>	<b>1,140,113</b>
Excess (deficiency) of revenues over expenditures	(378,380)	329,439	3,459	(157,605)	(203,087)
Other financing sources(uses):					
Operating transfers in	223,704	0	71,803	70,755	366,262
Operating transfers out	0	(329,507)	(26,000)	0	(355,507)
Donations	3,583	0	0	0	3,583
<b>Net other financing sources (uses)</b>	<b>227,287</b>	<b>(329,507)</b>	<b>45,803</b>	<b>70,755</b>	<b>14,338</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(151,093)	(68)	49,262	(86,850)	(188,749)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>322,138</b>	<b>13,819</b>	<b>1,646,144</b>	<b>108,999</b>	<b>2,091,100</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 171,045</b>	<b>\$ 13,751</b>	<b>\$ 1,695,406</b>	<b>\$ 22,149</b>	<b>\$ 1,902,351</b>

The accompanying notes are an integral part of this statement.

**TOWN OF PLAIN DEALING, LOUISIANA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

Net Change in Fund Balances-Total Governmental Funds (Exhibit E) \$ (188,749)

The change in Net Position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$31,018) is more than depreciation (\$94,460) in the current period. (63,442)

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 the governmental funds.

Some revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported as revenue in the governmental funds.

Change in deferred inflows/outflows related to pension plan (14,229)  
Change in pension liability (19,450)

Change in Net Position of Governmental Activities (Exhibit B) \$ (285,870)

The accompanying notes are an integral part of this statement

**TOWN OF PLAIN DEALING, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND TYPES**  
**DECEMBER 31, 2016**

ASSETS	Proprietary Fund Type Enterprise	Fiduciary Fund Type Trust	Total
Current Assets:			
Cash	\$ 434,339	\$ 113,482	\$ 547,821
Receivables	68,397	0	68,397
Due from other funds	329	0	329
Prepaid expenses	37,331	284	37,615
Construction in progress	0	0	0
Total Current Assets	<u>540,396</u>	<u>113,766</u>	<u>654,162</u>
Restricted Assets			
Cash	46,482	0	46,482
Certificates of deposit	31,000	0	31,000
Total Restricted Assets	<u>77,482</u>	<u>0</u>	<u>77,482</u>
Property, Plant & Equipment:, net	<u>2,644,033</u>	<u>4,591</u>	<u>2,648,624</u>
Total Assets	<u>3,261,911</u>	<u>118,357</u>	<u>3,380,268</u>
Deferred outflows of resources	<u>0</u>	<u>0</u>	<u>0</u>
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts payable	52,980	334	53,314
Due to other funds	8,506	223	8,729
Total Current Liabilities (Payable From Current Assets)	<u>61,486</u>	<u>557</u>	<u>62,043</u>
Current liabilities (payable from restricted assets):			
Customer deposits	70,105	0	70,105
Total Current Liabilities (Payable From Restricted Assets)	<u>70,105</u>	<u>0</u>	<u>70,105</u>
Total liabilities (Payable From Restricted Assets)	<u>70,105</u>	<u>0</u>	<u>70,105</u>
Total Liabilities	<u>131,591</u>	<u>557</u>	<u>132,148</u>
Deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>
NET POSITION			
Net investment in capital assets	2,644,033	4,591	2,648,624
Unrestricted	486,287	113,209	599,496
Total Net Position	<u>\$ 3,130,320</u>	<u>\$ 117,800</u>	<u>\$ 3,248,120</u>

The accompanying notes are an integral part of this statement

**TOWN OF PLAIN DEALING, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION-**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Proprietary Fund		Fiduciary Fund	Total	
	Type	Enterprise	Type		Trust
Operating Revenues:					
Charges for services	\$	490,910	\$	7,000	\$ 497,910
Other		0		0	0
<b>Total Operating Revenues</b>		<b>490,910</b>		<b>7,000</b>	<b>497,910</b>
Operating Expenses:					
Personnel services		232,646		0	232,646
Contractual services		22,741		0	22,741
Supplies and materials		87,898		5,992	93,890
Heat, light and power		49,844		0	49,844
Depreciation		156,436		1,020	157,456
Other		93,285		252	93,537
<b>Total Operating Expenses</b>		<b>642,850</b>		<b>7,264</b>	<b>650,114</b>
<b>Operating Income</b>		<b>(151,940)</b>		<b>(264)</b>	<b>(152,204)</b>
Nonoperating revenues					
(Expenses):					
Grants		11,200		0	11,200
Interest income		2,432		547	2,979
Interest expense		0		0	0
<b>Total Nonoperating Revenues</b>		<b>13,632</b>		<b>547</b>	<b>14,179</b>
<b>Income (Loss) Before Other Financing Sources and Transfers</b>		<b>(138,308)</b>		<b>283</b>	<b>(138,025)</b>
Other Financing Sources:					
Loss on retirement of fixed assets		0		0	0
Transfers in		60,000		0	60,000
Transfers out		(70,755)		0	(70,755)
State Grant		235,267		0	235,267
<b>Total Other Financing Sources</b>		<b>224,512</b>		<b>0</b>	<b>224,512</b>
<b>Change in Net Position</b>		<b>86,204</b>		<b>283</b>	<b>86,487</b>
Net Position at Beginning of Year		3,044,116		117,517	3,161,633
Net Position at End of Year	\$	<u>3,130,320</u>	\$	<u>117,800</u>	<u>\$ 3,248,120</u>

The accompanying notes are an integral part of this statement

**TOWN OF PLAIN DEALING, LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Proprietary Fund Type - Enterprise	Fiduciary Fund Type - Cemetery	Total
Cash flows from operating activities:			
Receipts from customers	\$ 490,910	\$ 7,000	\$ 497,910
Cash payments to suppliers	(280,086)	(6,514)	(286,600)
Cash payments to employees for services	(232,646)	0	(232,646)
Net cash from operating activities	<u>(21,822)</u>	<u>486</u>	<u>(21,336)</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	60,000	0	60,000
Transfers to other funds	(70,755)	0	(70,755)
Net cash from noncapital financing Activities	<u>(10,755)</u>	<u>0</u>	<u>(10,755)</u>
Cash flows from capital and financing activities:			
Capital Grants	11,200	0	11,200
Purchases of capital assets	(2,448)	0	(2,448)
Net cash from capital and financing activities	<u>8,752</u>	<u>0</u>	<u>8,752</u>
Cash flows from investing activities:			
Interest income	2,432	547	2,979
Net cash from investing activities	<u>2,432</u>	<u>547</u>	<u>2,979</u>
Net increase (decrease) in cash	(21,393)	1,033	(20,360)
Cash, beginning of year	<u>533,214</u>	<u>112,449</u>	<u>645,663</u>
Cash, end of year	<u>\$ 511,821</u>	<u>\$ 113,482</u>	<u>\$ 625,303</u>
Cash is reflected on the statements of net position as follows:			
Cash	\$ 434,339	\$ 113,482	\$ 547,821
Cash-restricted	77,482	0	77,482
Total	<u>\$ 511,821</u>	<u>\$ 113,482</u>	<u>\$ 625,303</u>
Reconciliation of Operating Income(Loss) to Net Cash Provided(Used) by Operating Activities:			
Operating income(Loss)	\$ (151,940)	\$ (264)	\$ (152,204)
Adjustments to Reconciling Income (Loss) to Net Cash Provided(Used) by Operating Activities:			
Depreciation Expense	156,436	1,020	157,456
(Increase)decrease in receivables	(24,819)	0	(24,819)
Increase(decrease) in accounts payable	8,832	75	8,907
(Increase)decrease in due from other fund	(89)	0	(89)
(Increase)decrease in prepaid expenses	(5,311)	(58)	(5,369)
Increase(decrease) customer deposits	2,980	0	2,980
Increase(decrease) in due to other fund	(7,911)	(287)	(8,198)
Net cash (used) by operating activities	<u>\$ (21,822)</u>	<u>\$ 486</u>	<u>\$ (21,336)</u>

The accompanying notes are an integral part of this statement.



# TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements  
December 31, 2016

The Town of Plain Dealing, Louisiana (Town), was incorporated in 1890, under the provisions of LA R.S. 33:321-48. The Town operates under the Mayor-Board of Aldermen form of government.

## **NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Basis of Accounting**

The accompanying financial statements of the Town of Plain Dealing have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

### **B. Reporting Entity**

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town of Plain Dealing 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 Town of Plain Dealing 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.

### **C. Government - Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position, Exhibit A, and the Statement of Activities, Exhibit B) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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.

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 a) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting 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.

### **D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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.

# TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)  
December 31, 2016

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment 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.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishment, long-term proceeds, et cetera) are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

The Town of Plain Dealing reports the following governmental, proprietary and fiduciary funds:

#### **Governmental Funds**

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

**General Fund** - is the general operating fund of the Town of Plain Dealing. It is used to account for all financial resources except those required to be accounted for in another fund. General tax revenues and other sources of revenue used to finance the fundamental operations of the Town of Plain Dealing are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

#### **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. The Town of Plain Dealing applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

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

## TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)  
December 31, 2016

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include a) charges to customers or applicants for goods, services, or privileges provided, b) operating grants and contributions, and c) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **E. Budgets and Budgetary Accounting**

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

1. The Mayor prepares a proposed budget and submits same to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal 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 publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. The Board of Aldermen may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. The 2016 budget was amended on December 13, 2016 to adjust revenues, charges for services revenue; and general government, public safety, street and sanitation, and capital outlay expenditures in the General Fund. The revenues and expenditures were amended in the Special

## TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)  
December 31, 2016

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **E. Budgets and Budgetary Accounting (Continued)**

Revenue Funds. The water fund and sewer fund budgets were amended to adjust charges for services, other operating expenses, personal services, depreciation, and interest expense.

6. The Town utilizes formal budgetary integration as a management control device for all funds.

#### **F. Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Town of Plain Dealing, Louisiana defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

#### **G. Investments**

All investments are interest bearing deposits with original maturity dated in excess of three months are stated at cost which approximates market value. The Town's investments comply with Louisiana Statutes (LSA R.S. 33:2955).

#### **H. Receivables**

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

#### **I. Inventories**

Inventory of supplies in the Proprietary Fund is not material and is charged to operations as purchased.

#### **J. Bad Debts**

Uncollectible amounts due from customers' utility and ad valorem taxes receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. Provisions for uncollectible utility and ad valorem taxes have not been deemed necessary.

#### **K. Deferred Outflows of Resources and Deferred Inflows of Resources**

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

## TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)  
December 31, 2016

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### L. Fund Equity

In the Statement of Net Position, the differences between a government's assets and liabilities are recorded as net position. The three components of net position are as follows:

*Net Investment in Capital Assets* - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.

*Restricted Net Position* - This category records net position that are restricted by external sources such as banks or by law are reported separately as restricted net position.

*Unrestricted Net Position* - This category represents net position not appropriate for expenditures or legally separated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

*Nonspendable* - The nonspendable fund balances for governmental funds represent the amount that are not in a spendable form or are required to be maintained intact.

*Restricted* - The restricted fund balances for governmental funds represent the amount that has been constrained to specific purposes by their providers, through constitutional provisions, or by enabling legislation.

*Committed* - The committed fund balances for governmental funds represent the amount constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

*Assigned* - The assigned fund balances for governmental funds represent the amount a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

*Unassigned* - The unassigned fund balances for governmental funds represent the amount that is available for any purpose; these amounts are reported only in the general fund.

#### M. Restricted Assets

The Enterprise Funds restrict customer and vendor deposits and sewer maintenance fees after maintenance expenses and the General Fund restricts the use of the Medical Clinic Funds. The Cemetery Fund and the Industrial Development Fund restrict the use of their operating account and certificates of deposit.

## TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)  
December 31, 2016

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### N. Compensated Absences

No liability is recorded for nonvesting accumulating rights to receive vacation or sick pay benefits.

#### O. Interfund Transactions

There are several types of transactions that are reported in the financial statements as interfund items. Interfund transactions which constitute reimbursements of the fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is being reimbursed. Nonrecurring or non-routine transfers of equity between funds are treated as residual equity transfers and reported as additions to or deductions from fund balance. All other transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

#### P. Statements of Cash Flows (including restricted assets)

For purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

#### Q. Refundable Deposits

The Water Fund of the Town requires customers to place a deposit before service is rendered. These monies are considered restricted and are held until the customer discontinues service.

### NOTE 2 CASH AND CASH EQUIVALENTS

At December 31, 2016, the Town's cash and cash equivalents (book balances) were \$2,496,234 cash, demand deposits, and certificates of deposit. These deposits are stated at cost, which approximates market. Under state law, these deposits, or resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank(s). The market value of the pledged securities plus federal deposit insurance must equal the amount with the fiscal agent at all times. These securities are held in the name of the of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2016, the Town has \$2,504,354 in deposits (collected bank balances), within one bank, consisting of \$2,376,488 in demand deposits and \$127,866 in time deposits. The demand deposits are secured from risk by \$250,000 of federal deposit insurance and \$2,616,294 of pledged securities and the time deposits are secured from risk by federal deposit insurance. The \$2,616,294 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 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.

**TOWN OF PLAIN DEALING, LOUISIANA**

Notes to Financial Statements (Continued)  
December 31, 2016

**NOTE 3      AD VALOREM TAXES**

Ad Valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in November of the same year. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Bossier Parish.

For the year ended December 31, 2016, taxes of 8.57 mills were levied on property with assessed valuations of \$3,844,394 and were dedicated for general corporate purposes.

Total taxes levied were \$32,947. Taxes receivable at December 31, 2016, consisted of the following:

Taxes receivable current roll	\$ 5,571
Less: allowance for uncollectible taxes	<u>          0</u>
	<u>\$ 5,571</u>

**NOTE 4      RESTRICTED ASSETS**

	<u>2016</u>	<u>2015</u>
Government Fund Type:		
Restricted cash-clinic account	\$ 30,276	\$ 26,629
Restricted certificate of deposit	<u>28,959</u>	<u>28,815</u>
	<u>\$ 59,235</u>	<u>\$ 55,444</u>
Proprietary Fund Type:		
Water Fund		
Customer deposit account	\$ 44,681	\$ 41,681
Customer deposits-certificate of deposit	<u>31,000</u>	<u>31,000</u>
	<u>75,681</u>	<u>72,681</u>
Sewer Fund		
Sewer Maintenance Fee	<u>1,801</u>	<u>2,400</u>
	<u>\$ 77,482</u>	<u>\$ 75,081</u>

**TOWN OF PLAIN DEALING, LOUISIANA**

Notes to Financial Statements (Continued)  
December 31, 2016

**NOTE 5 SALES AND USE TAX**

The voters of the Town of Plain Dealing approved a 1.5% sales and use tax for general purposes and 1% sales and use tax for industrial development.

**NOTE 6 ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at December 31, 2016:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Charges for services	\$ 16,959	\$ 68,397	\$ 85,356
Property Taxes	5,571	0	5,571
Other	<u>15,075</u>	<u>0</u>	<u>15,075</u>
Total	<u>\$ 37,605</u>	<u>\$ 68,397</u>	<u>\$ 106,002</u>

**NOTE 7 GRANTS**

The Town of Plain Dealing completed Capital Outlay FY 2013-2014 FP&C No 50-MN5-12-01-Wastewater Treatment Plant Improvements in 2016. The project was previously recorded as "Capital Projects-in Progress", in Exhibit A of the financial statements; the improvement is now an asset of the Enterprise Funds. The project cost was \$235,267 in which \$177,858 was received from a state grant and \$57,409 was paid by the Town.



**TOWN OF PLAIN DEALING, LOUISIANA**

Notes to Financial Statements (Continued)  
December 31, 2016

**NOTE 8 CAPITAL ASSETS**

A summary of the Town of Plain Dealing's capital assets at December 31, 2016 follows:

	<u>Balance Dec 31, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance Dec 31, 2016</u>
<b>Governmental Activities</b>				
Capital Assets, not being depreciated				
Land and Right-Of-Ways	\$ 488,281	\$ 0	\$ 0	\$ 488,281
Total Capital Assets, not being depreciated	<u>488,281</u>	<u>0</u>	<u>0</u>	<u>488,281</u>
 Capital Assets, being depreciated				
Buildings and other improvements	670,252	0	0	670,252
Dams & Reservoirs	294,580	0	0	294,580
Street Improvements	856,652	0	0	856,652
Park Improvements	140,843	0	0	140,843
Less accumulated depreciation	(1,231,673)	(43,927)	0	(1,275,600)
Total Buildings and Building Improvements	<u>730,654</u>	<u>(43,927)</u>	<u>0</u>	<u>686,727</u>
 Equipment, furniture and fixtures				
Less accumulated depreciation	1,031,987	31,018	0	1,063,005
Total Equipment, Furniture and Fixtures	<u>(822,002)</u>	<u>(50,533)</u>	<u>0</u>	<u>(872,535)</u>
	<u>209,985</u>	<u>(19,515)</u>	<u>0</u>	<u>190,470</u>
 Total Capital Assets, being depreciated				
	<u>940,639</u>	<u>(63,442)</u>	<u>0</u>	<u>877,197</u>
 Governmental Activities				
Total Capital Assets, net	\$ <u>1,428,920</u>	\$ <u>(63,442)</u>	\$ <u>0</u>	\$ <u>1,365,478</u>
 Business-Type Activities				
Capital Assets, not being depreciated				
Land and Right-Of-Ways	\$ 20,079	\$ 0	\$ 0	\$ 20,079
Total Capital Assets, not being depreciated	<u>20,079</u>	<u>0</u>	<u>0</u>	<u>20,079</u>
 Capital Assets, being depreciated				
Distribution system	4,846,215	235,266	0	5,081,481
Equipment, Furniture, and Fixtures	8,161	2,448	0	10,609
Less accumulated depreciation	(2,306,090)	(157,455)	0	(2,463,545)
Total Distribution System	<u>2,548,286</u>	<u>80,259</u>	<u>0</u>	<u>2,628,545</u>
 Total Capital Assets, being depreciated				
	<u>2,548,286</u>	<u>80,259</u>	<u>0</u>	<u>2,628,545</u>
 Business-Type Activities				
Total Capital Assets, net	\$ <u>2,568,365</u>	\$ <u>80,259</u>	\$ <u>0</u>	\$ <u>2,648,624</u>
 Primary Government				
Total Capital Assets, net	\$ <u>3,997,285</u>	\$ <u>16,817</u>	\$ <u>0</u>	\$ <u>4,014,102</u>

**TOWN OF PLAIN DEALING, LOUISIANA**

Notes to Financial Statements (Continued)  
December 31, 2016

**NOTE 9 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

A. Interfund Receivables and Payables

	Interfund Receivables	Interfund Payables
General fund	\$ 8,985	\$ 0
Sales tax fund	0	88
Industrial development fund	0	174
General and public facilities fund	0	323
Proprietary funds		
Water department	235	5,475
Sewer department	94	3,031
Fiduciary fund	0	223
	\$ 9,314	\$ 9,314

B. Operating Transfers

	Transfers In	Transfers Out
General fund	\$ 223,704	\$ 0
Sales tax fund	0	329,507
Industrial development fund	71,803	26,000
Capital projects fund	70,755	0
Water department	0	22,405
Sewer department	60,000	48,350
	\$ 426,262	\$ 426,262

**NOTE 10 LEASES**

The Town's long term operating lease for the use of the telephone equipment in the municipal complex was converted to a month to month lease in 2014. The rental cost on this equipment for the year ended December 31, 2016, was \$1,494.

**NOTE 11 RETIREMENT COMMITMENTS**

A. Municipal Police Employees' Retirement System of Louisiana (LAMPERS)

*Plan Description*

The Town contributes to LAMPERS which is a cost-sharing multiple employer defined benefit pension plan. LAMPERS was established by Act 189 of the 1973 regular session of the Legislature of the State of Louisiana to provide retirement, disability and survivor benefits to municipal police officers in Louisiana.

Benefit provisions are authorized within Act 189 of 1973 and amended by Louisiana Revised Statutes 11:2211 – 11:2233, which should be reviewed for more complete information.

## TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)  
December 31, 2016

### NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. LAMPERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at [www.lampers.org](http://www.lampers.org) or [www.la.state.la.us](http://www.la.state.la.us).

#### *Benefits Provided*

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

#### **Retirement**

Any member prior to January 1, 2013 can retire providing he/she meets one of the following criteria:

-At any age	after 25 years of creditable service
-At age 55	after 12 years of creditable service
-At age 50	after 20 years of creditable service
-At any age	after 20 years of creditable service, with an actuarially reduced benefit

Any member after January 1, 2013, under Hazardous Duty sub plan, can retire providing he/she meets one of the following criteria:

-At any age	after 25 years of creditable service
-At age 55	after 12 years of creditable service
-At any age	after 20 years of creditable service, with an actuarially reduced benefit from age 55

Any member after January 1, 2013, under Non Hazardous Duty sub plan, can retire providing he/she meets one of the following criteria:

-At any age	after 30 years of creditable service
-At age 60	after 10 years of creditable service
-At age 55	after 25 years of creditable service
-At any age	after 20 years of creditable service, with an actuarially reduced benefit from age 55

Benefit rates for membership prior to January 1, 2013, are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

## TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)  
December 31, 2016

### NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

Benefit rates for membership after January 1, 2013 are based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

#### **Deferred Retirement Option Plan (DROP)**

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

#### **Disability Benefits**

The Board of Trustees may award benefits to those eligible members who have been certified as disabled by the State Medical Disability Board. The application must be filed with the Board of Trustees through the office of the Director prior to the date of termination of employment. Please see specific procedures for disability retirement as described and provided for in R.S. 11:208, R.S. 11:216 through R.S. 11:224 and R.S. 11:2223.

#### **Survivor's Benefits**

Upon the death of an active contributing member (membership prior to January 1, 2013), or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200/month, whichever is greater.

## TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)  
December 31, 2016

### NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

Upon the death of an active contributing member (membership after to January 1, 2013), or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200/month, whichever is greater. If the deceased member had less than ten years of service, the beneficiary will receive a refund of employee contributions only.

#### **Cost-of-Living Increases**

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

#### **Initial Benefit Option Plan**

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

#### *Contributions*

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

For the six months ended June 30, 2016 and the six months ended December 31, 2016, total contributions due for employers and employees were 39.5% and 41.75%, respectively. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 29.5% and 10%, respectively. The employer and employee contribution rates for all Non Hazardous Duty members hired after January 1, 2013 were 31.5% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 32% and 7.5%, respectively.

**TOWN OF PLAIN DEALING, LOUISIANA**

Notes to Financial Statements (Continued)  
December 31, 2016

**NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)**

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue, but are not considered special funding situations.

The Town's contractually required composite contribution rate for the year ended December 31, 2016 was 29.5% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Town were \$13,583 for the year ended December 31, 2016.

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

At December 31, 2016, the Town reported a liability of \$147,144 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Town's proportion was .015699%, which was a decrease of .000601% from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the Town recognized pension expense of \$32,139 plus or minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$31,458.

At December 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 2,341
Changes in assumption	7,154	9
Net difference between projected and actual earnings on pension plan investments	22,642	0
Changes in employer's proportion of beginning net pension liability	33,596	5,390
Differences between employer contributions and proportionate share of employer contributions	0	0
Subsequent Measurement Contributions	7,041	0
Total	\$70,433	\$ 7,740

**TOWN OF PLAIN DEALING, LOUISIANA**

Notes to Financial Statements (Continued)  
December 31, 2016

**NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)**

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

Year ended June 30:	
2017	\$ 37,517
2018	4,507
2019	7,873
2020	5,755
Total	\$ 55,652

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 is as follows:

Valuation Date	June 30, 2016								
Actuarial Cost Method	Entry Age Normal Cost								
Actuarial Assumptions:									
Expected Remaining Service Lives	4 years								
Investment Rate of Return	7.75% net of investment expense.								
Mortality	The mortality rate assumption used was based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.								
Salary Increases, including inflation (3%) and merit	<table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Years of Service</th> <th style="text-align: center; border-bottom: 1px solid black;">Salary Growth Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1-2</td> <td style="text-align: center;">9.75%</td> </tr> <tr> <td style="text-align: center;">3-23</td> <td style="text-align: center;">4.75%</td> </tr> <tr> <td style="text-align: center;">Over 23</td> <td style="text-align: center;">4.25%</td> </tr> </tbody> </table>	Years of Service	Salary Growth Rate	1-2	9.75%	3-23	4.75%	Over 23	4.25%
Years of Service	Salary Growth Rate								
1-2	9.75%								
3-23	4.75%								
Over 23	4.25%								

**TOWN OF PLAIN DEALING, LOUISIANA**

Notes to Financial Statements (Continued)  
December 31, 2016

**NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)**

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

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2016 are summarized in the following table:

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Fixed Income	21%	0.49%
Equity	53%	3.69%
Alternatives	20%	1.11%
Other	6%	0.21%
<b>Total</b>	<b>100%</b>	<b>5.50%</b>
Inflation		2.75%
Expected Arithmetic Nominal Return		8.25%

*Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the District's proportionate share of the Net Pension Liability using the discount rate of 7.5%, as well as what the District's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.5%) or one percentage-point higher (8.5%) than the current rate:



## TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)  
December 31, 2016

### NOTE 11 RETIREMENT COMMITMENTS (CONTINUED)

	1.0% Decrease (6.5%)	Current Discount Rate (7.5%)	1.0% Increase (8.5%)
Employer's proportionate share of net pension liability	\$196,155	\$147,144	\$ 105,994

#### *Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued Municipal Police Employees' Retirement System of Louisiana Annual Financial Report at [www.lampers.org](http://www.lampers.org) or on [www.lla.state.la.us](http://www.lla.state.la.us).

#### *Payables to the Pension Plan*

These financial statements include a payable to the pension plan of \$1,543, which is the legally required contribution due at December 31, 2016. This amount is recorded in accrued expenses.

#### B. Deferred Compensation Plan

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Town matches the employee's contribution up to 2% of the employee's salary to the plan. In 2016, the Town's matching contribution to the plan was \$4,279. An independent plan administrator through an administrative service agreement administers the plan. The Town's administrative involvement is limited to transmitting amounts withheld from the employees and its matching portion to the plan administrator who performs investing functions.

Plan assets are held in trust for the exclusive benefit of the participants and their beneficiaries. The assets will not be diverted to any other purpose. Accordingly, the plan assets and related liabilities have not been included herein.

### NOTE 12 COMMITMENTS AND CONTINGENCIES

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

The Town participates in certain federal and state assisted programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

The Town is the defendant in various lawsuits arising principally in normal course of operations. There is a suit which is in the early stages of discovery and for which the availability of insurance coverage or estimates of the ultimate liability of the Town cannot be determined. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for losses has been recorded.

## TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements (Continued)  
December 31, 2016

### **NOTE 13 ON-BEHALF PAYMENTS**

Qualified Town police employees received a total of \$28,617 in police supplemental pay from the State of Louisiana. The Town is responsible for withholding taxes from these employees and paying the Town's matching portion of social security taxes for the amount of additional pay received. The Town must recognize this pay received by the employees as revenues and expenditures of the Town. The revenue is reported in the General Fund under intergovernmental revenues and the expenditure is reported in the Police Department.

### **NOTE 14 SUBSEQUENT EVENTS**

Subsequent events have been evaluated through June 27, 2017 which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF PLAIN DEALING, LOUISIANA**  
Statement of Revenues, Expenditures, and Changes in Fund Balance Of  
Governmental Funds - Budget (GAAP Basis) and Actual - General Fund

Year Ended December 31, 2016

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Property taxes	\$ 33,000	\$ 33,000	\$ 32,694	\$ (306)
Franchise taxes	24,300	21,800	21,895	95
Other taxes	37,700	36,500	33,807	(2,693)
Licenses and permits	20,675	19,675	20,771	1,096
Intergovernmental	248,700	240,100	241,485	1,385
Interest income	1,000	1,000	824	(176)
Charges for services	138,800	137,000	136,481	(519)
Rental income	8,000	8,000	5,500	(2,500)
Fines and forfeits	25,000	30,000	19,342	(10,658)
Parks and recreation	3,000	3,000	5,406	2,406
Other	5,500	4,200	6,158	1,958
<b>Total revenues</b>	<u>545,675</u>	<u>534,275</u>	<u>524,363</u>	<u>(9,912)</u>
<b>Expenditures:</b>				
General government	213,170	213,090	211,526	1,564
Public safety	403,690	409,220	397,916	11,304
Street and Sanitation	274,405	276,240	262,283	13,957
Capital outlays	0	26,000	31,018	(5,018)
Contributions to other government agencies	0	0	0	0
<b>Total expenditures</b>	<u>891,265</u>	<u>924,550</u>	<u>902,743</u>	<u>21,807</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(345,590)</u>	<u>(390,275)</u>	<u>(378,380)</u>	<u>11,895</u>
<b>Other financing sources(uses):</b>				
Operating transfers in	228,000	224,000	223,704	(296)
Operating transfers out	0	0	0	
Gain on sale of fixed assets	0	0	3,583	3,583
<b>Net other financing sources (uses)</b>	<u>228,000</u>	<u>224,000</u>	<u>227,287</u>	<u>3,287</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other uses</b>	<u>(117,590)</u>	<u>(166,275)</u>	<u>(151,093)</u>	<u>15,182</u>
Fund balance at beginning of year	<u>322,138</u>	<u>322,138</u>	<u>322,138</u>	<u>0</u>
<b>Fund balance at end of year</b>	<u>\$ 204,548</u>	<u>\$ 155,863</u>	<u>\$ 171,045</u>	<u>\$ 15,182</u>

See accompanying notes to the financial statements.

**TOWN OF PLAIN DEALING, LOUISIANA**  
Statement of Revenues, Expenditures, and Changes in Fund Balance Of  
Governmental Funds - Budget (GAAP Basis) and Actual - Sales Tax Fund

Year Ended December 31, 2016

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0
Franchise taxes	0	0	0	0
Sales taxes	380,000	330,000	329,522	(478)
Other taxes	0	0	0	0
Licenses and permits	0	0	0	0
Intergovernmental	0	0	0	0
Grant revenue	0	0	0	0
Interest income	75	75	16	(59)
Charges for services	0	0	0	0
Rental income	0	0	0	0
Fines and forfeits	0	0	0	0
Lake income	0	0	0	0
Other	0	0	0	0
Total revenues	<u>380,075</u>	<u>330,075</u>	<u>329,538</u>	<u>(537)</u>
Expenditures:				
General government	0	0	99	(99)
Public safety	0	0	0	0
Street and Sanitation	0	0	0	0
Capital outlays	0	0	0	0
Total expenditures	<u>0</u>	<u>0</u>	<u>99</u>	<u>(99)</u>
Excess (deficiency) of revenues over expenditures	<u>380,075</u>	<u>330,075</u>	<u>329,439</u>	<u>(636)</u>
Other financing sources(uses):				
Operating transfers in	0	0	0	0
Operating transfers out	(380,000)	(330,000)	(329,507)	493
Net other financing sources (uses)	<u>(380,000)</u>	<u>(330,000)</u>	<u>(329,507)</u>	<u>493</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	75	75	(68)	(143)
Fund balance at beginning of year	<u>13,819</u>	<u>13,819</u>	<u>13,819</u>	<u>0</u>
Fund balance at end of year	<u>\$ 13,894</u>	<u>\$ 13,894</u>	<u>\$ 13,751</u>	<u>\$ (143)</u>

See accompanying notes to the financial statements.

**TOWN OF PLAIN DEALING, LOUISIANA**  
Statement of Revenues, Expenditures, and Changes in Fund Balance Of  
Governmental Funds - Budget (GAAP Basis) and Actual - Industrial Development Fund

Year Ended December 31, 2016

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0
Franchise taxes	0	0	0	0
Sales taxes	0	0	0	0
Other taxes	0	0	0	0
Licenses and permits	0	0	0	0
Intergovernmental	0	0	0	0
Grant revenue	0	0	0	0
Interest income	4,500	5,500	5,463	(37)
Charges for services	0	0	0	0
Rental income	0	0	0	0
Fines and forfeits	0	0	0	0
Lake income	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<u>4,500</u>	<u>5,500</u>	<u>5,463</u>	<u>(37)</u>
<b>Expenditures:</b>				
General government	3,200	2,250	2,004	246
Public safety	0	0	0	0
Street and Sanitation	0	0	0	0
Capital outlays	0	0	0	0
<b>Total expenditures</b>	<u>3,200</u>	<u>2,250</u>	<u>2,004</u>	<u>246</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,300</u>	<u>3,250</u>	<u>3,459</u>	<u>209</u>
<b>Other financing sources(uses):</b>				
Operating transfers in	92,000	72,000	71,803	(197)
Operating transfers out	0	(26,000)	(26,000)	0
<b>Net other financing sources (uses)</b>	<u>92,000</u>	<u>46,000</u>	<u>45,803</u>	<u>(197)</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other uses</b>	<u>93,300</u>	<u>49,250</u>	<u>49,262</u>	<u>12</u>
<b>Fund balance at beginning of year</b>	<u>1,646,144</u>	<u>1,646,144</u>	<u>1,646,144</u>	<u>0</u>
<b>Fund balance at end of year</b>	<u>\$ 1,739,444</u>	<u>\$ 1,695,394</u>	<u>\$ 1,695,406</u>	<u>\$ 12</u>

See accompanying notes to the financial statements.

**TOWN OF PLAIN DEALING, LOUISIANA**  
Statement of Revenues, Expenditures, and Changes in Fund Balance Of  
Governmental Funds - Budget (GAAP Basis) and Actual -  
Capital Projects Fund

Year Ended December 31, 2016

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0
Franchise taxes	0	0	0	0
Sales taxes	0	0	0	0
Other taxes	0	0	0	0
Licenses and permits	0	0	0	0
Intergovernmental	0	0	77,662	77,662
Grant revenue	418,000	77,700	0	(77,700)
Interest income	0	0	0	0
Charges for services	0	0	0	0
Rental income	0	0	0	0
Fines and forfeits	0	0	0	0
Lake income	0	0	0	0
Other	0	0	0	0
	<u>418,000</u>	<u>77,700</u>	<u>77,662</u>	<u>(38)</u>
Total revenues				
<b>Expenditures:</b>				
General government	0	0	0	0
Public safety	0	0	0	0
Street and Sanitation	0	0	0	0
Capital outlays	558,000	235,300	235,267	33
Project expenditures	0	0	0	0
	<u>558,000</u>	<u>235,300</u>	<u>235,267</u>	<u>33</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>(140,000)</u>	<u>(157,600)</u>	<u>(157,605)</u>	<u>(5)</u>
<b>Other financing sources(uses):</b>				
Operating transfers in	140,000	63,250	70,755	7,505
Operating transfers out	0	0	0	0
	<u>140,000</u>	<u>63,250</u>	<u>70,755</u>	<u>7,505</u>
Net other financing sources (uses)				
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	0	(94,350)	(86,850)	7,500
Fund balance at beginning of year	<u>108,999</u>	<u>108,999</u>	<u>108,999</u>	<u>0</u>
Fund balance at end of year	<u>\$ 108,999</u>	<u>\$ 14,649</u>	<u>\$ 22,149</u>	<u>\$ 7,500</u>

See accompanying notes to the financial statements.

**TOWN OF PLAIN DEALING, LOUISIANA**  
Schedule of Employer's Share of Net Pension Liability

Year Ended December 31, 2016

Year Ended June 30	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Employee Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.016300%	\$ 127,694	\$ 37,601	339.60%	70.73%
2016	0.015699%	\$ 147,144	\$ 43,977	334.59%	66.04%

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



**TOWN OF PLAIN DEALING, LOUISIANA**  
Schedule of Employer Contributions

Year Ended December 31, 2016

Year Ended June 30	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 13,734	\$ 13,734	\$ 0	\$ 127,693	10.76%
2016	\$ 12,973	\$ 12,973	\$ 0	\$ 43,977	29.50%

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

**TOWN OF PLAIN DEALING, LOUISIANA**

Note to Retirement System Schedules

Year Ended December 31, 2016

**Municipal Police Employees' Retirement System**

Changes of benefit terms - There were no changes of benefit terms for the year ended December 31, 2016.

Changes of assumptions - There were no changes of benefit assumptions for the year ended December 31, 2016.

**OTHER SUPPLEMENTARY INFORMATION**

**TOWN OF PLAIN DEALING, LOUISIANA**  
Schedules of Compensation Paid Mayor and Aldermen and  
Compensation, Benefits, and Other Payments to Agency Head or  
Chief Executive Officer

For the Year Ended December 31, 2016

Compensation Paid to Mayor and Aldermen:

<b>Mayor</b>		
Robinson	\$	18,000
<b>Alderman/Alderwoman</b>		
Allums		1,300
Dodson		1,350
Gay		1,350
Griggs		1,350
Haynie		1,300
		1,300
Totals	\$	24,650

Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer:

Agency Head Name: Mayor Robinson

<b>Purpose</b>		
Salary	\$	18,000
Benefits - Insurance		0
Benefits - Retirement		0
Benefits - Other		0
Car Allowance		0
Vehicle Provided by Government		0
Per Diem		0
Reimbursements		546
Travel		0
Registration Fees		290
Conference Travel		245
Continuing Professional Education Fees		0
Housing		0
Unvouchered Expenses		0
Meals		0
		0
	\$	19,081

See accompanying notes to the financial statements.

**TOWN OF PLAIN DEALING, LOUISIANA**  
Combining Statement of Net Position  
Proprietary Funds

December 31, 2016

ASSETS	Water Department	Sewer Department	Combined
Current Assets:			
Cash	\$ 122,742	\$ 311,597	\$ 434,339
Receivables	39,774	28,623	68,397
Due from other funds	235	94	329
Prepaid expenses	20,824	16,507	37,331
<b>Total Current Assets</b>	<u>183,575</u>	<u>356,821</u>	<u>540,396</u>
Restricted Assets			
Cash	44,681	1,801	46,482
Certificates of deposit	31,000	0	31,000
<b>Total Restricted Assets</b>	<u>75,681</u>	<u>1,801</u>	<u>77,482</u>
Property, Plant & Equipment:, net	<u>1,116,225</u>	<u>1,527,808</u>	<u>2,644,033</u>
<b>Total Assets</b>	<u>1,375,481</u>	<u>1,886,430</u>	<u>3,261,911</u>
Deferred outflows of resources	<u>0</u>	<u>0</u>	<u>0</u>
<b>LIABILITIES</b>			
Current liabilities (payable from current assets):			
Accounts payable	30,307	22,673	52,980
Due to other funds	5,475	3,031	8,506
<b>Total Current Liabilities (Payable From Current Assets)</b>	<u>35,782</u>	<u>25,704</u>	<u>61,486</u>
Current liabilities (payable from restricted assets):			
Customer deposits	70,105	0	70,105
<b>Total Current Liabilities (Payable From Restricted Assets)</b>	<u>70,105</u>	<u>0</u>	<u>70,105</u>
Long-Term Liabilities (payable from restricted assets):	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total liabilities (Payable From Restricted Assets)</b>	<u>70,105</u>	<u>0</u>	<u>70,105</u>
<b>Total Liabilities</b>	<u>105,887</u>	<u>25,704</u>	<u>131,591</u>
Deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,116,225	1,527,808	2,644,033
Restricted	0	0	0
Unrestricted	153,369	332,918	486,287
<b>Total Net Position</b>	<u>\$ 1,269,594</u>	<u>\$ 1,860,726</u>	<u>\$ 3,130,320</u>

See accompanying notes to the financial statements.

**TOWN OF PLAIN DEALING, LOUISIANA**  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds

For the Year Ended December 31, 2016

	Water Department	Sewer Department	Combined
Operating Revenues:			
Charges for services	\$ 288,639	\$ 202,271	\$ 490,910
Other	0	0	0
	<u>288,639</u>	<u>202,271</u>	<u>490,910</u>
Total operating revenues			
Operating Expenses:			
Personnel services	129,125	103,521	232,646
Contractual services	13,653	9,088	22,741
Supplies and materials	47,435	40,463	87,898
Heat, light and power	33,801	16,043	49,844
Depreciation	65,082	91,354	156,436
Other	58,974	34,311	93,285
	<u>348,070</u>	<u>294,780</u>	<u>642,850</u>
Total operating expenses			
Operating income (loss)	<u>(59,431)</u>	<u>(92,509)</u>	<u>(151,940)</u>
Nonoperating Revenues (Expenses):			
Grants	5,600	5,600	11,200
Interest income	1,055	1,377	2,432
Interest expense	0	0	0
Contribution-State Grant	0	235,267	235,267
Transfers in	0	60,000	60,000
Transfers out	<u>(22,405)</u>	<u>(48,350)</u>	<u>(70,755)</u>
Net Nonoperating revenues (expenses)	<u>(15,750)</u>	<u>253,894</u>	<u>238,144</u>
Change in Net Position	(75,181)	161,385	86,204
Net Position, beginning of year	<u>1,344,777</u>	<u>1,699,339</u>	<u>3,044,116</u>
Net Position, ending	<u>\$ 1,269,596</u>	<u>\$ 1,860,724</u>	<u>\$ 3,130,320</u>

See accompanying notes to the financial statements.

**TOWN OF PLAIN DEALING, LOUISIANA**  
Combining Statement of Cash Flows  
Proprietary Funds

For the Year Ended December 31, 2016

	Water Department	Sewer Department	Combined
Cash flows from operating activities:			
Receipts from customers	\$ 288,639	\$ 202,271	\$ 490,910
Cash payments to suppliers	(165,053)	(115,033)	(280,086)
Cash payments to employees for services	(129,125)	(103,521)	(232,646)
Net cash from operating activities	<u>(5,539)</u>	<u>(16,283)</u>	<u>(21,822)</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	0	60,000	60,000
Transfers to other funds	(22,405)	(48,350)	(70,755)
Net cash from noncapital financing Activities	<u>(22,405)</u>	<u>11,650</u>	<u>(10,755)</u>
Cash flows from capital and financing activities:			
Capital Grants	5,600	5,600	11,200
Purchases of capital assets	(1,227)	(1,221)	(2,448)
Net cash from capital and financing activities	<u>4,373</u>	<u>4,379</u>	<u>8,752</u>
Cash flows from investing activities:			
Interest income	1,055	1,377	2,432
Net cash from investing activities	<u>1,055</u>	<u>1,377</u>	<u>2,432</u>
Net increase (decrease) in cash	(22,516)	1,123	(21,393)
Cash, beginning of year	<u>220,939</u>	<u>312,275</u>	<u>533,214</u>
Cash, end of year	<u>\$ 198,423</u>	<u>\$ 313,398</u>	<u>\$ 511,821</u>
Cash is reflected on the statements of net position as follows:			
Cash	\$ 122,742	\$ 311,597	\$ 434,339
Cash-restricted	75,681	1,801	77,482
Total	<u>\$ 198,423</u>	<u>\$ 313,398</u>	<u>\$ 511,821</u>
Reconciliation of Operating Income(Loss) to Net Cash			
Provided(Used) by Operating Activities:			
Operating income(Loss)	\$ (59,431)	\$ (92,509)	\$ (151,940)
Adjustments to Reconciling Income (Loss) to Net Cash			
Provided(Used) by Operating Activities:			
Depreciation Expense	65,082	91,354	156,436
(Increase)decrease in receivables	(12,798)	(12,021)	(24,819)
Increase(decrease) in accounts payable	5,653	3,179	8,832
(Increase)decrease in due from other fund	0	(89)	(89)
(Increase)decrease in prepaid expenses	(3,217)	(2,094)	(5,311)
Increase(decrease) customer deposits	2,980	0	2,980
Increase(decrease) in due to other funds	<u>(3,808)</u>	<u>(4,103)</u>	<u>(7,911)</u>
Net cash (used) by operating activities	<u>\$ (5,539)</u>	<u>\$ (16,283)</u>	<u>\$ (21,822)</u>

**OTHER REPORTS**





# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

To the Mayor and Members  
Members of the Board of Aldermen  
Town of Plain Dealing, Louisiana

I 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 governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of Town of Plain Dealing, as of December 31, 2016 and related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued my report thereon dated June 27, 2017.

### Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Town of Plain Dealing's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A deficiency in internal control exists when the design or operation 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 Town's financial statements will not be prevented, or detected 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.

My 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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I 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 Town of Plain Dealing's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws,

regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.

*Marsha D. Milligan*

Certified Public Accountant  
June 27, 2017

**TOWN OF PLAIN DEALING, LOUISIANA**

Schedule of Findings

Year Ended December 31, 2016

- 1 The auditor's report expresses an unmodified opinion on the financial statements.
  - 2 No Significant deficiencies in internal accounting control were disclosed during the audit.
  - 3 No instances of noncompliance to the financial statements of the Town were disclosed during the audit
- There were no findings for the year ended December 31, 2016.

**TOWN OF PLAIN DEALING, LOUISIANA**  
Corrective Action Taken on Prior Year Findings

Year Ended December 31, 2016

There were no findings for the year ended December 31, 2015.