

VILLAGE OF PLAUCHEVILLE, LOUISIANA**Financial Report****Year Ended June 30, 2013**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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INDEPENDENT AUDITORS' REPORT

The Honorable Terryl St. Romain, Mayor,
and Members of the Board of Aldermen
Village of Plaquemine, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the major fund of the Village of Plaquemine, Louisiana, as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the major fund of the Village of Plaquemine, Louisiana, as of June 30, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 37 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Plaquemine, Louisiana's basic financial statements. The accompanying financial information listed as "Other Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

As described in Note 20 to the financial statements, the Village of Plaquemine, Louisiana adopted the provision of GASB Statement No.63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of resources, and Net Position*, in 2013.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 16, 2013, on our consideration of the Village of Plaquemine, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Plaquemine, Louisiana's internal control over financial reporting and compliance.

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

Marksville, Louisiana
September 16, 2013

BASIC FINANCIAL STATEMENTS

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Net Position
June 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Demand deposits	\$ 59,800	\$ 43,216	\$ 103,016
Time deposits	69,952	225,539	295,491
Receivables, net	8,930	71,661	80,591
Due from other governmental units	4,426	-	4,426
Total current assets	143,108	340,416	483,524
Noncurrent assets:			
Restricted assets:			
Demand deposits	-	173,531	173,531
Land	30,475	5,000	35,475
Capital assets, net	305,581	1,417,818	1,723,399
Bond issue costs, net	-	1,941	1,941
Total noncurrent assets	336,056	1,598,290	1,934,346
Total assets	479,164	1,938,706	2,417,870
Deferred outflows of resources	-	-	-
LIABILITIES			
Current liabilities, payable from current assets:			
Accounts and other payables	20,703	6,063	26,766
Current liabilities, payable from restricted assets:			
Bonds and certificates payable	-	31,000	31,000
Accrued interest	-	860	860
Total current liabilities, payable from restricted assets	-	31,860	31,860
Total current liabilities	20,703	37,923	58,626
Noncurrent liabilities:			
Customers deposits payable	-	68,146	68,146
Bonds payable	-	181,000	181,000
Total noncurrent liabilities	-	249,146	249,146
Total liabilities	20,703	287,069	307,772
Deferred inflows of resources	-	-	-
NET POSITION			
Net investment in capital assets	336,056	1,241,818	1,577,874
Restricted net position	-	56,027	56,027
Unrestricted net position	122,405	353,792	476,197
Total net position	\$ 458,461	\$ 1,651,637	\$ 2,110,098

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2013

Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 90,720	\$ 22,223	\$ 2,100	\$ -	\$ (66,397)	\$ -	\$ (66,397)
Public safety:							
Police	129,297	15,424	-	-	(113,873)	-	(113,873)
Fire	3,811	-	-	-	(3,811)	-	(3,811)
Culture and recreation	16,887	-	-	14,533	(2,354)	-	(2,354)
Total governmental activities	<u>240,715</u>	<u>37,647</u>	<u>2,100</u>	<u>14,533</u>	<u>(186,435)</u>	<u>-</u>	<u>(186,435)</u>
Business-type activities:							
Water	346,014	410,837	-	10,436	-	75,259	75,259
Interest on long-term debt	10,926	-	-	-	-	(10,926)	-
Total business-type activities	<u>356,940</u>	<u>410,837</u>	<u>-</u>	<u>10,436</u>	<u>-</u>	<u>64,333</u>	<u>64,333</u>
Total	<u>\$597,655</u>	<u>\$448,484</u>	<u>\$ 2,100</u>	<u>\$24,969</u>	<u>(186,435)</u>	<u>64,333</u>	<u>(122,102)</u>
General revenues:							
Taxes -							
Ad valorem taxes, levied for general purposes					6,010	-	6,010
Sales and use taxes, levied for general purposes					32,436	-	32,436
Franchise taxes					18,285	-	18,285
Grants and contributions not restricted to specific programs -							
State sources					2,970	-	2,970
Gaming revenues					9,173	-	9,173
Interest earnings					629	2,707	3,336
Hall rentals					4,175	-	4,175
Miscellaneous					2,031	-	2,031
Transfers					76,393	(76,393)	-
Total general revenues and transfers					<u>152,102</u>	<u>(73,686)</u>	<u>78,416</u>
Change in net position					(34,333)	(9,353)	(43,686)
Net position - July 1, 2012					<u>492,794</u>	<u>1,660,990</u>	<u>2,153,784</u>
Net position - June 30, 2013					<u>\$ 458,461</u>	<u>\$1,651,637</u>	<u>\$ 2,110,098</u>

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

FUND FINANCIAL STATEMENTS (FFS)

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Balance Sheet
Governmental Fund - General Fund
June 30, 2013

ASSETS

Demand deposits	\$ 59,800
Time deposits	69,952
Receivables:	
Accrued interest	246
Due from other governmental units	4,426
Other	<u>8,684</u>
Total assets	<u>\$143,108</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts and other payables	\$ 20,703
Fund balance -	
Unassigned	<u>122,405</u>
Total liabilities and fund balance	<u>\$143,108</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2013

Total fund balance for governmental fund at June 30, 2013		\$122,405
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	\$ 30,475	
Buildings and improvements, net of \$170,309 accumulated depreciation	115,522	
Infrastructure, net of \$160,441 accumulated depreciation	157,729	
Equipment, furniture, and fixtures, net of \$83,781 accumulated depreciation	26,999	
Vehicles, net of \$15,993 accumulated depreciation	<u>5,331</u>	<u>336,056</u>
Total net position of governmental activities at June 30, 2013		<u>\$458,461</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund - General Fund
Year Ended June 30, 2013

Revenues:	
Taxes	\$ 56,731
Licenses and permits	22,223
Intergovernmental	28,776
Fines and forfeits	15,424
Miscellaneous	<u>6,835</u>
Total revenues	<u>129,989</u>
Expenditures:	
Current -	
General government:	
Administrative	74,592
Public safety:	
Police	120,467
Fire	3,407
Culture and recreation	5,879
Capital outlay	<u>12,361</u>
Total expenditures	<u>216,706</u>
Deficiency of revenues over expenditures	(86,717)
Other financing sources:	
Transfers in	76,393
Proceeds from the sale of capital assets	<u>7,884</u>
Total other financing sources	<u>84,277</u>
Net change in fund balance	(2,440)
Fund balance, beginning	<u>124,845</u>
Fund balance, ending	<u>\$ 122,405</u>

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

Village of Plaquemine, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Fund
to the Statement of Activities
Year Ended June 30, 2013

Total net changes in fund balance at June 30, 2013 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ (2,440)
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 as depreciation expense.	\$ 12,361	
Capital outlay which is considered expenditures on the statement of Revenues, Expenditures and Changes in Fund Balances		
Depreciation expense for the year ended June 30, 2013	<u>(35,121)</u>	(22,760)
The net effect of various transactions involving capital assets as sales and trade-ins is to decrease net assets as a result of a loss on the disposal of capital assets.		(1,249)
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.		<u>(7,884)</u>
Total changes in net position at June 30, 2013 per Statement of Activities		<u>\$ (34,333)</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Net Position
Proprietary Fund
June 30, 2013

ASSETS

Current assets:	
Demand deposits	\$ 43,216
Time deposits	225,539
Receivables -	
Accounts	36,992
Unbilled utility receivables	34,129
Accrued interest receivable	540
Total current assets	<u>340,416</u>
Noncurrent assets:	
Restricted assets -	
Demand deposits	173,531
Capital assets:	
Land	5,000
Capital assets, net of accumulated depreciation	1,417,818
Bond issue costs, net	1,941
Total noncurrent assets	<u>1,598,290</u>
Total assets	<u>1,938,706</u>

LIABILITIES

Current liabilities:	
Accounts and other payables	6,063
Payable from restricted assets -	
Revenue bonds	31,000
Accrued interest payable	860
Total current liabilities	<u>37,923</u>
Noncurrent liabilities:	
Customers' deposits	68,146
Revenue bonds payable	181,000
Total noncurrent liabilities	<u>249,146</u>
Total liabilities	<u>287,069</u>

NET POSITION

Net investment in capital assets	1,241,818
Restricted net position	56,027
Unrestricted net position	353,792
Total net position	<u>\$1,651,637</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Year Ended June 30, 2013

Operating revenues:	
Charges for services -	
Water services	\$ 402,065
Connection fees	7,716
Miscellaneous	1,056
Total operating revenues	<u>410,837</u>
Operating expenses:	
Salaries	103,090
Payroll taxes	7,322
Maintenance and supplies	80,933
Utilities and telephone	20,847
Office supplies	8,642
Insurance	19,450
Professional fees	6,695
Miscellaneous	21,203
Amortization expense	413
Depreciation expense	77,419
Total operating expenses	<u>346,014</u>
Operating income	<u>64,823</u>
Nonoperating revenues (expenses):	
Interest income	2,707
Grant revenues	10,436
Interest expense	(10,926)
Total nonoperating revenues (expenses)	<u>2,217</u>
Income before transfers	67,040
Transfers out	<u>(76,393)</u>
Change in net position	(9,353)
Net position, beginning	<u>1,660,990</u>
Net position, ending	<u>\$1,651,637</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2013

Cash flows from operating activities:	
Receipts from customers	\$ 415,245
Payments to suppliers for goods and services	(166,627)
Payments to employees for services	(110,412)
Other receipts	<u>1,056</u>
Net cash provided by operating activities	<u>139,262</u>
Cash flows from non-capital financing activities:	
Transfers to other funds	<u>(76,393)</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bonds payable	(30,000)
Interest and fiscal charges paid on revenue bonds	(11,048)
Net increase in customer meter deposits	3,448
Proceeds from federal grant	10,436
Acquisition of property, plant and equipment	<u>(12,619)</u>
Net cash used by capital and related financing activities	<u>(39,783)</u>
Cash flows from investing activities:	
Net maturity of interest-bearing deposits	(235)
Interest income received	<u>2,708</u>
Net cash provided by investing activities	<u>2,473</u>
Net increase cash and cash equivalents	25,559
Cash and cash equivalents, beginning of period	<u>191,188</u>
Cash and cash equivalents, end of period	<u>\$ 216,747</u>

(continued)

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Cash Flows
Proprietary Fund (continued)
Year Ended June 30, 2013

Reconciliation of operating income to net cash provided by
operating activities:

Operating income	\$ 64,823
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Amortization	413
Depreciation	77,419
Changes in current assets and liabilities:	
Decrease in accounts receivable	4,827
Decrease in unbilled utility receivables	637
Decrease in accounts payable	<u>(8,857)</u>
Net cash provided by operating activities	<u>\$ 139,262</u>

Reconciliation of cash and cash equivalents per statement
of cash flows to the balance sheet:

Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 43,578
Interest-bearing deposits - unrestricted	225,304
Cash - restricted	147,610
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(225,304)</u>
Total cash and cash equivalents, beginning of period	<u>191,188</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	43,216
Interest-bearing deposits - unrestricted	225,539
Cash - restricted	173,531
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(225,539)</u>
Total cash and cash equivalents, end of period	<u>216,747</u>
Net increase	<u>\$ 25,559</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Village of Plaquemine (Village) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) Accounting Standards Codification have been applied unless those standards conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Village of Plaquemine was incorporated in 1903 under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Aldermen form of government.

As the municipal governing authority, for reporting purposes, the Village of Plaquemine is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, and (d) organizations that are closely related to, or financially integrated with the primary government.

Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by Statement No. 39 established criteria for determining which component units should be considered part of the Village of Plaquemine for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship if all of the following conditions exist:
 - a. The economic resources received or held by the organization are entirely or almost entirely for the direct benefit for the primary government, its component units, or its constituents.
 - b. The primary government (or its component units) is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
 - c. The economic resources received or held by an individual organization that the specific primary government (or its component units) is entitled to, or has the ability to otherwise access, are significant to that primary government.
4. Organizations that are closely related to, or financially integrated with the primary government.

Based upon the aforementioned criteria, the Village of Plaquemine has no component units.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

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

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

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

The major fund of the Village is described below:

Governmental Fund -

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

Additionally, the Village reports the following fund types:

Proprietary Fund –

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon the determination of net income, financial position, and cash flows. The following is the Village's proprietary fund type.

Enterprise funds

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Village applies all applicable principles under the FASB Accounting Standards Codification in accounting and reporting for its enterprise fund. The Village's enterprise fund is the Water Utility Fund.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

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

Basis of Accounting

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Village.

Under state law, the Village may invest in United States bonds, treasury notes, or certificates. Investments are stated at amortized cost.

For the purpose of the proprietary funds statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes, franchise taxes and gaming revenue. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2013, an allowance for ad valorem taxes and customers' utility receivables was considered unnecessary due to immateriality. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.”

Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

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

Buildings	40 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	20 years

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

Long-term debt

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

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists of water revenue bonds payable and utility meter deposits payable.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Compensated Absences

Employees of the Village are not covered under any specific vacation or sick-leave policy. For fund financial statements, vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current fund liability of the governmental fund that will pay it. In the government-wide statements, amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are recorded as long-term debt. It is the Village's policy that unused compensated absences lapse at the end of each year; therefore, no accruals for accumulated compensated absences have been made at June 30, 2013.

Deferred Outflows of Resources an 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 future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Equity Classifications

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Net amounts of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in either of the two categories of net position.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

In the fund statements, governmental fund equity is classified as fund balance as follows:

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 11
Water revenue	Debt service and utility operations

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

G. Budget and Budgetary Accounting

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

1. The Mayor meets with the Board of Aldermen to review the prior year revenue and expenditures as a basis for projecting the current fiscal year budget.
2. The Village does not formally integrate its budget as a management tool.
3. All budgetary appropriations lapse at the end of the fiscal year.
4. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments were not material in relation to the original appropriations. Budgetary control is exercised at the fund level.

H. Capitalization of Interest Expense

It is the policy of the Village of Plaquemine to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. June 30, 2013, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

I. Use of Estimates

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Village may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Village may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2013, the Village had demand deposits and time deposits (book balances) totaling \$572,038 as follows:

Cash on hand	\$ 40
Time deposits	295,491
Demand deposits	<u>276,507</u>
Total	<u>\$ 572,038</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Village's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Village or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. As of June 30, 2013, the Village's total bank balances were fully insured and therefore, not exposed to custodial credit risk.

Bank balances	<u>\$577,932</u>
Federal deposit insurance	\$431,535
Pledged securities	<u>146,397</u>
Total FDIC insurance and collateral	<u>\$577,932</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Receivables

Receivables at June 30, 2013 of \$80,591 consist of the following:

	<u>General</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ 36,992	\$ 36,992
Unbilled utility	-	34,129	34,129
Franchise tax	3,816	-	3,816
Occupational licenses	4,868	-	4,868
Interest	<u>246</u>	<u>540</u>	<u>786</u>
Totals	<u>\$ 8,930</u>	<u>\$ 71,661</u>	<u>\$ 80,591</u>

(4) Due from Other Governmental Units

Amounts due from other governmental units of \$4,426 at June 30, 2013 consisted of the following:

Amount due from the Avoyelles Parish Police Jury for gaming revenue.	\$ 1,225
Amount due from the State of Louisiana for beer tax revenues.	477
Amount due from the State of Louisiana for video poker revenues.	95
Amount due from the Avoyelles Parish School Board for sales tax collections.	<u>2,629</u>
	<u>\$ 4,426</u>

(5) Restricted Assets

Restricted assets in the water utility fund consisted of the following at June 30, 2013:

Customer meter deposits	\$ 85,644
Bond and interest sinking fund	26,781
Bond reserve fund	22,657
Water depreciation and contingency fund	<u>38,449</u>
Total enterprise utility fund restricted assets	<u>\$173,531</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>Balance 07/01/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/13</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 30,475	\$ -	\$ -	\$ 30,475
Other capital assets:				
Buildings	279,661	6,170	-	285,831
Infrastructure	318,170	-	-	318,170
Equipment, furniture and fixtures	104,589	6,191	-	110,780
Vehicles	<u>35,024</u>	<u>-</u>	<u>13,700</u>	<u>21,324</u>
Totals	<u>767,919</u>	<u>12,361</u>	<u>13,700</u>	<u>766,580</u>
Less accumulated depreciation				
Buildings	160,980	9,329	-	170,309
Infrastructure	145,304	15,137	-	160,441
Equipment, furniture and fixtures	78,989	4,792	-	83,781
Vehicles	<u>14,697</u>	<u>5,863</u>	<u>4,567</u>	<u>15,993</u>
Total accumulated depreciation	<u>399,970</u>	<u>35,121</u>	<u>4,567</u>	<u>430,524</u>
Governmental activities, capital assets, net	<u>\$ 367,949</u>	<u>\$ (22,760)</u>	<u>\$ 9,133</u>	<u>\$ 336,056</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Other capital assets:				
Water system	2,769,084	15,163	-	2,784,247
Machinery and equipment	<u>211,488</u>	<u>-</u>	<u>5,343</u>	<u>206,145</u>
Totals	<u>2,985,572</u>	<u>15,163</u>	<u>5,343</u>	<u>2,995,392</u>
Less accumulated depreciation				
Water system	1,295,642	13,724	-	1,309,366
Machinery and equipment	<u>202,312</u>	<u>63,695</u>	<u>2,799</u>	<u>263,208</u>
Total accumulated depreciation	<u>1,497,954</u>	<u>77,419</u>	<u>2,799</u>	<u>1,572,574</u>
Business-type activities, capital assets, net	<u>\$ 1,487,618</u>	<u>\$ (62,256)</u>	<u>\$ 2,544</u>	<u>\$ 1,422,818</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 16,128
Police	7,581
Fire	404
Culture and recreation	<u>11,008</u>
Total depreciation expense	<u>\$ 35,121</u>

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

Water	<u>\$ 77,419</u>
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(7) Accounts and Other Payables

The accounts and other payables consisted of the following at June 30, 2013:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts	\$ 17,859	\$ 6,063	\$ 23,922
Payroll taxes	<u>2,844</u>	<u>-</u>	<u>2,844</u>
Totals	<u>\$ 20,703</u>	<u>\$ 6,063</u>	<u>\$ 26,766</u>

(8) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Village for the year ended June 30, 2013:

	<u>Business-Type Activities</u>
	<u>Revenue</u>
	<u>Bonds</u>
Long-term debt, July 1, 2012	\$ 242,000
Additions	-
Retirements	<u>(30,000)</u>
Long-term debt, June 30, 2013	<u>\$ 212,000</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Long-term debt payable at June 30, 2013 is comprised of the following individual issues:

\$425,000 Water Revenue Refunding Bonds, Series 2004, due in annual installments of \$11,000 to \$40,000 through December 1, 2018; interest at 4.867%; secured by water utility fund revenues. \$ 212,000

Annual debt service requirements to maturity are as follows:

Year ending June 30,	Business-Type Activities	
	Principal payments	Interest payments
2014	\$ 31,000	\$ 9,564
2015	33,000	8,007
2016	34,000	6,376
2017	36,000	4,672
2018	38,000	2,872
2019	<u>40,000</u>	<u>973</u>
Total	<u>\$ 212,000</u>	<u>\$ 32,464</u>

(9) Flow of Funds: Restrictions on Use – Water Revenues

Under the terms of the \$425,000 Water Revenue Refunding Bonds, Series 2004, all income and revenues of every nature derived from the operation of the system are pledged and dedicated to the retirement of said bonds.

Water Revenue Bond and Interest Sinking Fund

The Village is required to set aside into the Water Revenue Bond and Interest Sinking Fund monthly in advance on or before the 20th day of each month of each year a sum equal to 1/6th of the interest falling due on the next interest payment date and a sum equal to 1/12th of the principal falling due on the next principal payment date. Funds deposited in this account are available only for the retirement of maturing bonds and interest.

Water Revenue Bond Reserve Fund

The Village is required to set aside into the Water Revenue Bond Reserve Fund monthly in advance on the 20th day of each month a sum at least equal to 5% of the amount to be paid into the Sinking Fund until such time as there has been accumulated therein a sum equal to the Reserve Fund Requirement of \$41,947. The money in the Reserve Fund shall be retained solely for the purpose of paying the principal and interest on the Bonds as to which there would otherwise be default.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Water Depreciation and Contingency Fund

The Village is required to maintain the Water Depreciation and Contingency Fund to care for depreciation, extensions, additions, improvements, and replacements necessary to properly operate the System, by transferring monthly in advance on or before the 20th day of each month a sum at least equal to 5% of the amount to be paid into the Sinking Fund. Funds deposited into this account may also be used to pay the principal of and interest on bonds for the payment of which there is not sufficient money in the Sinking Fund, but if used, such money must be replaced as soon as possible out of the earnings of the system after making the required monthly payments into the respective funds and accounts.

Utility Rates

It is further understood that the Village shall adopt a rate ordinance which shall provide revenue in each year, after paying all reasonable and necessary expenses of operating and maintaining the water system in such year, at least equal to 120 percent of the largest amount of principal and interest maturing on the bonds in any future fiscal year. Said rate ordinance shall also provide for a 10 percent penalty charge for non-payment bills within fifteen days after the due date and discontinuance of service upon non-payment of bills within twenty-five days after the due date.

For the fiscal year ended June 30, 2013, the Village complied with all the above bond indenture requirements.

(10) 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 Village in September or October and are actually billed to taxpayers in November. Billed taxes become delinquent on January 1 of the following year. The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Avoyelles Parish. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended June 30, 2013, taxes of 5.19 mills were levied for general corporate purposes on property with assessed valuations totaling \$1,158,093.

Total taxes levied were \$6,010. There were no taxes receivable at June 30, 2013.

(11) Sales and Use Tax

On May 24, 1975, the voters of the Village approved a one percent (1%) sales and use tax for a period beginning September 1, 1975. The revenues derived from said sales and use tax are to be used for the purpose of constructing, acquiring, improving and/or maintaining a new municipal building for the Village, including the purchasing and acquiring the necessary land, equipment, and furnishings for the building to be utilized as a public meeting hall and for recreational purposes; and for any lawful corporate purpose of the Village. The tax is subject to funding into bonds by the Village for any one or more of the foregoing purposes.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

On June 15, 1994, the Village entered into an intergovernmental agreement with the Avoyelles Parish School Board whereby the School Board will collect the sales and use taxes, including interest, penalties, fees and costs, levied by the Village under the Village's ordinances for a monthly fee of 1.5 percent of the gross tax revenues collected by the School Board. The School Board will remit collections to the Village on a monthly basis no later than the 10th day of each month after reasonable and necessary cost and expenses of collection and administration of the taxes have been deducted, including the collection fee. Collections for the year ended June 30, 2013 were \$32,436.

(12) Employee Retirement

Employees of the Village of Plaquemine participate in the Social Security System. The Village and its employees contribute a percentage of each employee's salary to the System (7.65 percent contributed by the Village; 7.65 percent contributed by the employee). The Village's contributions for the years ending June 30, 2013, 2012 and 2011 amounted to \$15,081, \$19,389 and \$17,391, respectively.

(13) Risk Management

The Village is exposed to risks of loss in the areas of general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded insurance coverage for the past three years.

(14) Compensation of Village Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2013 is as follows:

Terryl St. Romain, Mayor (current)	\$ 960
Mona Rabalais, Mayor (previous)	1,034
Aldermen:	
Andrea Lemoine (current)	600
Lawrence Taylor (current)	600
Craig Gremillion (current)	600
Aaron Lemoine (previous)	650
Garry Carter (previous)	650
Linda Gagnard (previous)	300
Russell Gagnard (previous)	300
Total	<u>\$ 5,694</u>

(15) Interfund Receivables/Payables

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Transfers consisted of the following at June 30, 2013:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 76,393	\$ -
Proprietary funds:		
Enterprise Fund	-	<u>76,393</u>
Total	<u>\$ 76,393</u>	<u>\$ 76,393</u>

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

(16) Contract Agreements

In December 1984, the Village placed into service a new water treatment facility making it possible to produce its own water in a supply sufficient to service all of its customers. Prior to the operation of this new plant, the Village was purchasing its water from the Town of Cottonport, Louisiana. The Village elected to maintain its contract with the Town of Cottonport in order to meet emergency supply needs or cope with unforeseen circumstances. The contract agreement was renewed on February 1, 2013, for a term of one year. A summary of the major contract provisions is as follows:

A. Seller (Town of Cottonport) agrees:

To furnish at the point of delivery, potable water in such quantity as may be required by the purchaser not to exceed 75,000 gallons per day.

B. Purchaser (Village of Plaquemine) agrees;

To pay to seller, no later than the 15th day of each month, for water delivered in accordance with the contract agreement the sum of \$1.12 per one thousand gallons for all water delivered to the purchaser per month.

(17) Franchise Agreements

The Village of Plaquemine has entered into franchise agreements with various public utility companies that provide services within the corporate limits of the Village. A summary of each such agreement is as follows:

1. Central Louisiana Electric Company, Inc. (CLECO) - effective May 4, 1987, for a period of thirty (30) years. Franchise fee is based on four percent (4%) of the gross receipts from the sale and delivery of electric energy for residential and commercial

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

purposes billed on commercial and residential rates within the Village. Fees are payable quarterly, within thirty (30) days of the end of the quarter. Other franchise provisions are as follows:

Franchise payments will be reduced in an amount equal to the sum of any new or increased taxes of any nature whatsoever levied by the municipality and payable by CLECO (except uniform ad valorem taxes, based on property values).

2. Suddenlink Communications – State issued agreement effective October 21, 2009. The franchise fee is based on five percent (5%) of gross subscription receipts, less sales taxes, federal excise tax and copyright fees, received by the company within the Village. Fees are payable to the Village quarterly, by the 10th of the following month.
3. Entex - effective June 1992, for a period of twenty-five (25) years. Franchise fee is based on four percent (4%) of the gross receipts from the sale of gas for residential and commercial purposes billed on residential and commercial rates within the limits of the Village. Fees are payable on or before the 10th of each February.
4. Century Telephone Company - effective April 2, 1999, for a period of twenty-five (25) years granting the company the right, privilege and franchise to operate within the limits of the Village. Consideration is given in exchange for said rights.

(18) Subsequent Event Review

The Village's management has evaluated subsequent events through September 16, 2013; the date which the financial statements were available to be issued.

(19) Litigation and Claims

There is no litigation pending against the Village as of June 30, 2013.

(20) New Accounting Pronouncements

During the fiscal year ended June 30, 2013, the Village adopted GASB 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, which provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

In April 2012, the Government Accounting Standards Board (GASB) issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The provisions of GASB No. 65 must be implemented by the Village for the year ending June 30, 2014. The effect of implementation on the Village's financial statements has not yet been determined.

**REQUIRED SUPPLEMENTARY
INFORMATION**

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
Year Ended June 30, 2013
With Comparative Actual Amounts For Year Ended June 30, 2012

	2013		Actual	Variance with Final Budget Positive (Negative)	2012 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes	\$ 56,500	\$ 53,483	\$ 56,731	\$ 3,248	\$ 57,066
Licenses and permits	22,000	20,000	22,223	2,223	21,038
Intergovernmental	17,500	31,052	28,776	(2,276)	47,559
Fines and forfeits	50,000	16,414	15,424	(990)	59,956
Miscellaneous	<u>12,175</u>	<u>6,824</u>	<u>6,835</u>	<u>11</u>	<u>11,386</u>
Total revenues	<u>158,175</u>	<u>127,773</u>	<u>129,989</u>	<u>2,216</u>	<u>197,005</u>
Expenditures:					
Current -					
General government:					
Administrative	82,189	74,414	74,592	(178)	82,376
Public safety:					
Police	127,200	118,773	120,467	(1,694)	157,085
Fire	3,500	3,407	3,407	-	3,384
Culture and recreation	7,000	5,287	5,879	(592)	6,913
Capital outlay	<u>-</u>	<u>12,361</u>	<u>12,361</u>	<u>-</u>	<u>14,428</u>
Total expenditures	<u>219,889</u>	<u>214,242</u>	<u>216,706</u>	<u>(2,464)</u>	<u>264,186</u>
Deficiency of revenues over expenditures	<u>(61,714)</u>	<u>(86,469)</u>	<u>(86,717)</u>	<u>(248)</u>	<u>(67,181)</u>
Other financing sources:					
Transfers from -					
Water Fund	65,000	50,000	76,393	26,393	-
Proceeds from the sale of capital assets	<u>-</u>	<u>7,884</u>	<u>7,884</u>	<u>-</u>	<u>2,001</u>
Total other financing sources	<u>65,000</u>	<u>57,884</u>	<u>84,277</u>	<u>26,393</u>	<u>2,001</u>
Excess (deficiency) of revenues and other sources over expenditures	3,286	(28,585)	(2,440)	26,145	(65,180)
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>124,845</u>	<u>124,845</u>	<u>93,569</u>
Fund balance, ending	<u>\$ 3,286</u>	<u>\$ (28,585)</u>	<u>\$ 122,405</u>	<u>\$ 150,990</u>	<u>\$ 28,389</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER INFORMATION

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
Year Ended June 30, 2013
With Comparative Actual Amounts For Year Ended June 30, 2012

	2013			Variance with Final Budget Positive (Negative)	2012 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 5,500	\$ 6,010	\$ 6,010	\$ -	\$ 5,901
Sales	32,000	28,845	32,436	3,591	31,940
Franchise -					
Electric	10,000	9,948	10,083	135	10,118
Gas	2,500	2,210	2,210	-	2,385
Cable TV	5,000	4,817	4,771	(46)	4,937
Telephone	1,500	1,653	1,221	(432)	1,785
Total taxes	<u>56,500</u>	<u>53,483</u>	<u>56,731</u>	<u>3,248</u>	<u>57,066</u>
Licenses and permits:					
Occupational licenses	<u>22,000</u>	<u>20,000</u>	<u>22,223</u>	<u>2,223</u>	<u>21,038</u>
Intergovernmental:					
State of Louisiana -					
Beer taxes	2,000	2,000	1,859	(141)	1,913
Video poker	1,500	1,300	1,111	(189)	1,137
Grants	-	16,543	14,533	(2,010)	30,371
State mowing agreement	-	-	2,100	2,100	-
Gaming revenue	<u>14,000</u>	<u>11,209</u>	<u>9,173</u>	<u>(2,036)</u>	<u>14,138</u>
Total intergovernmental	<u>17,500</u>	<u>31,052</u>	<u>28,776</u>	<u>(2,276)</u>	<u>47,559</u>
Fines and forfeits:					
Fines and court costs	<u>50,000</u>	<u>16,414</u>	<u>15,424</u>	<u>(990)</u>	<u>59,956</u>
Miscellaneous:					
Interest	675	1,127	664	(463)	970
Hall rentals	5,000	4,475	4,175	(300)	4,850
Other sources	<u>6,500</u>	<u>1,222</u>	<u>1,996</u>	<u>774</u>	<u>5,566</u>
Total miscellaneous	<u>12,175</u>	<u>6,824</u>	<u>6,835</u>	<u>11</u>	<u>11,386</u>
Total revenues	<u>\$158,175</u>	<u>\$127,773</u>	<u>\$129,989</u>	<u>\$ 2,216</u>	<u>\$197,005</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
Year Ended June 30, 2013
With Comparative Actual Amounts For Year Ended June 30, 2012

	2013			Variance with Final Budget Positive (Negative)	2012 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government:					
Administrative -					
Mayor and council salaries	\$ 5,750	\$ 5,774	\$ 5,694	\$ 80	\$ 5,290
Other salaries and wages	22,932	14,925	16,906	(1,981)	18,388
Insurance	17,000	17,616	17,777	(161)	18,195
Payroll taxes	2,295	1,656	1,763	(107)	1,848
Maintenance and supplies	3,000	1,615	6,188	(4,573)	1,159
Advertisements and publishing	1,750	1,121	333	788	-
Office supplies and postage	2,500	805	98	707	997
Trash pickup	2,500	2,299	(182)	2,481	1,641
Professional fees	7,500	2,975	5,020	(2,045)	14,465
Miscellaneous	4,012	8,894	852	8,042	3,793
Utilities and telephone	12,000	16,074	19,615	(3,541)	14,821
Christmas decorations	-	200	-	200	591
Dues and subscriptions	500	60	50	10	755
Sales tax collection fee	450	400	478	(78)	433
Total administrative	82,189	74,414	74,592	(178)	82,376
Public safety:					
Police -					
Salaries	90,000	75,482	76,382	(900)	109,882
Payroll taxes	7,200	6,039	5,996	43	8,626
Maintenance and supplies	5,000	1,589	1,748	(159)	2,427
Gas, oil and repairs	15,000	10,230	12,918	(2,688)	15,514
Insurance	7,500	24,393	19,639	4,754	8,398
Telephone	-	-	726	(726)	-
Miscellaneous	2,500	1,040	3,058	(2,018)	12,238
Total police department	127,200	118,773	120,467	(1,694)	157,085
Fire -					
Insurance	3,500	3,407	3,407	-	3,114
Miscellaneous	-	-	-	-	270
Total fire	3,500	3,407	3,407	-	3,384
Culture and recreation -					
Cleaning and janitorial	3,000	2,187	1,375	812	2,800
Insurance	3,500	3,000	3,660	(660)	2,799
Miscellaneous	500	100	844	(744)	1,314
Total culture and recreation	7,000	5,287	5,879	(592)	6,913

(continued)

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
Year Ended June 30, 2013
With Comparative Actual Amounts For Year Ended June 30, 2012

	<u>2013</u>			Variance with Final Budget Positive (Negative)	<u>2012 Actual</u>
	Budget		Actual		
	<u>Original</u>	<u>Final</u>			
Capital outlay:					
General government:					
Renovations to town hall	<u>-</u>	<u>11,260</u>	<u>11,260</u>	<u>-</u>	<u>14,428</u>
Public Safety:					
Police -					
Equipment	<u>-</u>	<u>1,101</u>	<u>1,101</u>	<u>-</u>	<u>-</u>
Total capital outlay	<u>-</u>	<u>12,361</u>	<u>12,361</u>	<u>-</u>	<u>14,428</u>
Total expenditures	<u>\$219,889</u>	<u>\$214,242</u>	<u>\$216,706</u>	<u>\$ (2,464)</u>	<u>\$264,186</u>

**COMPLIANCE
AND
INTERNAL CONTROL**

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

The Honorable Terryl St. Romain, Mayor
and Members of the Board of Aldermen
Village of Plaquemine, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and those standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and the major fund of the Village of Plaquemine, Louisiana (the Village) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated September 16, 2013.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and corrective action plan, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial

statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and corrective action plan to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Village's responses to the findings identified in our audit are described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. We do not audit the Village's responses and, accordingly, we express no opinion on them.

Purpose of this report

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

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

Marksville, Louisiana
September 16, 2013

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Years Ended June 30, 2013 and 2012

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Date Of Completion</u>
CURRENT YEAR (06/30/13) –						
<u>Internal Control Over Financial Reporting:</u>						
07-1(IC)	06/30/07	The Village does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.		The Village has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Terryl St.Romian, Mayor	N/A
13-1(IC)	6/30/2013	Due to the limited number of administrative personnel, the Village did not have adequate segregation of accounting functions.		We feel that adequate segregation of duties is not feasible.	Terryl St.Romian, Mayor	N/A
<u>Compliance:</u>						
N/A	N/A	There are no compliance findings.				

VILLAGE OF PLAUCHEVILLE, LOUISIANA

**Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
Years Ended June 30, 2013 and 2012**

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Date Of Completion
PRIOR YEAR (6/30/12) --						
<u>Internal Control Over Financial Reporting:</u>						
07-1(IC)	06/30/07	The Village does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No			
<u>Compliance:</u>						
There were no compliance findings to be reported.						
<u>Management Letter:</u>						
11-2	6/30/2011	The Town's governmental funds experienced a deficiency before transfers from the water fund during the current year of \$67,182. If fund balance and savings continue to be depleted at the current rate, the Village will no longer have any reserves or savings within one or two years. The Village should continue efforts to evaluate operations to determine methods to increase revenues and/or reduce expenditures in order to minimize the excess of expenditures over revenues.	Partial; During the middle of the fiscal year, the Village implemented a more stringent budget in order to reduce this deficiency in the future.			