

**TOWN OF SIMMESPORT, LOUISIANA**

Financial Report

Year Ended June 30, 2016

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# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## OFFICES

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

P. O. Box 531  
Marksville, LA 71351

Phone (318) 253-9252  
Fax (318) 253-8681

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

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

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

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

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

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

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

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

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

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

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

Retired:  
Conrad O. Chapman, CPA\* 2006

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

## INDEPENDENT AUDITOR'S REPORT

\* A Professional Accounting Corporation

The Honorable Leslie Draper III, Mayor  
and Members of the Council  
Town of Simmesport, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Simmesport, Louisiana, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Simmesport, Louisiana'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, each major fund, and the aggregate remaining fund information of the Town of Simmesport, Louisiana, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 36 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.

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Simmesport, Louisiana's basic financial statements. The other supplementary information on pages 39 through 41 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison schedules on pages 39 through 41, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2017, on our consideration of the Town of Simmesport, 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 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 Town of Simmesport, Louisiana's internal control over financial reporting and compliance.

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

Marksville, Louisiana  
April 21, 2017

## **BASIC FINANCIAL STATEMENTS**

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

TOWN OF SIMMESPORT, LOUISIANA

Statement of Net Position

June 30, 2016

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and interest-bearing deposits	\$ 456,115	\$ 257,334	\$ 713,449
Receivables, net	115,975	66,438	182,413
Restricted assets:			
Cash and interest-bearing deposits	-	92,168	92,168
Grant receivable	-	82,232	82,232
Accrued interest	-	20	20
Capital assets:			
Non depreciable capital assets	24,786	452,358	477,144
Depreciable capital assets, net	<u>946,972</u>	<u>1,448,757</u>	<u>2,395,729</u>
Total assets	<u>1,543,848</u>	<u>2,399,307</u>	<u>3,943,155</u>
<b>LIABILITIES</b>			
Accounts, salaries and other payables	27,114	101,346	128,460
Accrued interest payable	276	-	276
Long-term liabilities:			
Portion due within one year-			
Capital lease payable	8,277	-	8,277
Note payable	11,681	-	11,681
Bonds payable	13,000	11,000	24,000
Portion due after one year-			
Compensated absences payable	1,688	1,268	2,956
Customers' deposits payable	-	73,717	73,717
Due to DOTD	-	77,500	77,500
Capital lease payable	14,648	-	14,648
Note payable	34,769	-	34,769
Bonds payable	<u>55,000</u>	<u>170,000</u>	<u>225,000</u>
Total liabilities	<u>166,453</u>	<u>434,831</u>	<u>601,284</u>
<b>NET POSITION</b>			
Net investment in capital assets	834,383	1,731,115	2,565,498
Restricted for debt service	6,438	7,451	13,889
Unrestricted	<u>536,574</u>	<u>225,910</u>	<u>762,484</u>
Total net position	<u>\$ 1,377,395</u>	<u>\$ 1,964,476</u>	<u>\$ 3,341,871</u>

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



TOWN OF SIMMESPORT, LOUISIANA

Statement of Activities  
For the Year Ended June 30, 2016

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Change 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	\$ 307,329	\$ -	\$ -	\$ -	\$ (307,329)	\$ -	\$ (307,329)
Public safety:							
Police	322,338	122,033	7,500	-	(192,805)	-	(192,805)
Fire	6,577	-	-	-	(6,577)	-	(6,577)
Recreation	11,293	-	-	-	(11,293)	-	(11,293)
Streets and sidewalks	161,090	-	1,275	-	(159,815)	-	(159,815)
Interest on long-term debt	3,139	-	-	-	(3,139)	-	(3,139)
Total governmental activities	<u>811,766</u>	<u>122,033</u>	<u>8,775</u>	<u>-</u>	<u>(680,958)</u>	<u>-</u>	<u>(680,958)</u>
Business-type activities:							
Water and sewer	449,983	360,033	-	391,809	-	301,859	301,859
Gas	187,006	179,609	-	-	-	(7,397)	(7,397)
Total business-type activities	<u>636,989</u>	<u>539,642</u>	<u>-</u>	<u>391,809</u>	<u>-</u>	<u>294,462</u>	<u>294,462</u>
Total	<u>\$ 1,448,755</u>	<u>\$ 661,675</u>	<u>\$ 8,775</u>	<u>\$ 391,809</u>	<u>(680,958)</u>	<u>294,462</u>	<u>(386,496)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					25,114	-	25,114
Sales and use taxes, levied for specific purposes					378,121	-	378,121
Franchise taxes					80,105	-	80,105
Other					9,013	-	9,013
Licenses and permits -							
Occupational licenses					65,893	-	65,893
Grants and contributions not restricted to specific programs -							
State sources					95,915	-	95,915
Interest and investment earnings					463	99	562
Miscellaneous					27,489	3,041	30,530
Transfers					29,262	(29,262)	-
Total general revenues and transfers					<u>711,375</u>	<u>(26,122)</u>	<u>685,253</u>
Change in net position					30,417	268,340	298,757
Net position - July 1, 2015					<u>1,346,978</u>	<u>1,696,136</u>	<u>3,043,114</u>
Net position - June 30, 2016					<u>\$ 1,377,395</u>	<u>\$ 1,964,476</u>	<u>\$ 3,341,871</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **MAJOR FUND DESCRIPTIONS**

### **General Fund**

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

### **Debt Service Fund**

Debt service funds are used to accumulate resources to be used to make debt service principle and interest payments on general obligation long-term debt.

### **2015 Sales Tax Bond Debt Service**

To accumulate monies for payment of the 2015 \$80,000 Sales Tax Bonds, due in annual installments, plus interest, through 2021. Debt Service is financed by the collection of the 1992 one percent sales tax.

### **Capital Projects Fund**

#### **Rural Development**

To account for monies received through a Rural Development Grant Program and the proceeds of Sales Tax Bonds for Town Hall improvements.

### **Enterprise Funds**

#### **Water and Sewer Utility Fund**

To account for the provision of water services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billings and collections.

#### **Gas Utility Fund**

To account for the provision of gas services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service, billings and collections.

TOWN OF SIMMESPORT, LOUISIANA

Balance Sheet  
Governmental Funds  
June 30, 2016

	<u>General</u>	<u>Capital Projects</u>	<u>2015 Sales Tax Debt Service</u>	<u>Totals</u>
ASSETS				
Cash and interest-bearing deposits	\$ 449,401	\$ -	\$6,714	\$ 456,115
Receivables, net				
Taxes	74,169	-	-	74,169
Other	<u>41,806</u>	<u>-</u>	<u>-</u>	<u>41,806</u>
Total assets	<u>\$ 565,376</u>	<u>\$ -</u>	<u>\$6,714</u>	<u>\$ 572,090</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	<u>\$ 27,114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,114</u>
Total liabilities	<u>27,114</u>	<u>-</u>	<u>-</u>	<u>27,114</u>
Fund balances:				
Restricted for debt service	-	-	6,714	6,714
Unassigned	<u>538,262</u>	<u>-</u>	<u>-</u>	<u>538,262</u>
Total fund balances	<u>538,262</u>	<u>-</u>	<u>6,714</u>	<u>544,976</u>
Total liabilities and fund balances	<u>\$ 565,376</u>	<u>\$ -</u>	<u>\$6,714</u>	<u>\$ 572,090</u>

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

TOWN OF SIMMESPORT, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2016

Total fund balances for governmental funds at June 30, 2016		\$ 544,976
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	\$ 24,786	
Buildings and improvements, net of \$267,132 accumulated depreciation	472,461	
Equipment, furniture, and fixtures, net of \$1,186,509 accumulated depreciation	<u>474,511</u>	971,758
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year end consist of:		
Compensated absences payable	(1,688)	
Bonds payable	(68,000)	
Notes payable	(46,450)	
Capital lease payable	(22,925)	
Accrued interest payable	<u>(276)</u>	<u>(139,339)</u>
Net position at June 30, 2016		<u>\$ 1,377,395</u>

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

TOWN OF SIMMESPORT, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
For the Year Ended June 30, 2016

	General	Capital Projects	2015 Sales Tax Debt Service	Totals
<b>Revenues:</b>				
Taxes	\$ 492,353	\$ -	\$ -	\$ 492,353
Licenses and permits	65,893	-	-	65,893
Intergovernmental	78,481	26,209	-	104,690
Fines and forfeits	122,033	-	-	122,033
Miscellaneous	27,940	-	14	27,954
Total revenues	<u>786,700</u>	<u>26,209</u>	<u>14</u>	<u>812,909</u>
<b>Expenditures:</b>				
Current -				
General government	281,091	-	33	281,124
Public safety:				
Police	305,926	-	-	305,926
Fire	6,577	-	-	6,577
Recreation	11,293	-	-	11,293
Streets and sidewalks	131,390	-	-	131,390
Capital outlay	53,934	128,703	-	182,637
Debt service				
Principle	10,729	-	12,000	22,729
Interest	1,794	-	1,069	2,863
Total expenditures	<u>802,734</u>	<u>128,703</u>	<u>13,102</u>	<u>944,539</u>
Deficiency of revenues over expenditures	<u>(16,034)</u>	<u>(102,494)</u>	<u>(13,088)</u>	<u>(131,630)</u>
<b>Other financing sources (uses):</b>				
Proceeds from long-term debt	49,265	80,000	-	129,265
Transfers in	29,261	22,494	19,802	71,557
Transfers out	<u>(42,295)</u>	<u>-</u>	<u>-</u>	<u>(42,295)</u>
Total other financing sources	<u>36,231</u>	<u>102,494</u>	<u>19,802</u>	<u>158,527</u>
Net changes in fund balances	20,197	-	6,714	26,911
Fund balances, beginning	<u>518,065</u>	<u>-</u>	<u>-</u>	<u>518,065</u>
Fund balances, ending	<u>\$ 538,262</u>	<u>\$ -</u>	<u>\$ 6,714</u>	<u>\$ 544,976</u>

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

TOWN OF SIMMESPORT, 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 June 30, 2016

Total net change in fund balances for the year ended June 30, 2016 per statement of revenues, expenditures and changes in fund balances		\$ 26,911
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on the statement of revenues, expenditures and changes in fund balances	\$ 182,637	
Depreciation expense	<u>(73,466)</u>	109,171
Proceeds from long-term debt is reported in the governmental funds as other financing resources, but in the statement of net position, the debt is reported as a liability.		
		(129,265)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position		
Capital lease principle retirement	7,914	
Note payable retirement	2,815	
Bond principle retirement	<u>12,000</u>	22,729
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the government funds.		
Increase in accrued interest	(276)	
Decrease in compensated absences	<u>1,147</u>	<u>871</u>
Change in net position for the year ended June 30, 2016 per statement of activities		<u>\$ 30,417</u>

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

TOWN OF SIMMESPORT, LOUISIANA

Statement of Net Position  
 Proprietary Funds - Enterprise Funds  
 June 30, 2016

	Water & Sewer Utility	Natural Gas System	Totals
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 86,393	\$ 170,941	\$ 257,334
Receivables:			
Accounts	48,319	18,047	66,366
Accrued interest	-	72	72
Total current assets	134,712	189,060	323,772
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	43,833	48,335	92,168
Accrued interest receivable	20	-	20
Grant receivable	82,232	-	82,232
Capital assets -			
Non depreciable capital assets	452,358	-	452,358
Depreciable capital assets, net	1,269,294	179,463	1,448,757
Total noncurrent assets	1,847,737	227,798	2,075,535
Total assets	1,982,449	416,858	2,399,307
LIABILITIES			
Current liabilities:			
Accounts, salaries and other payables	95,726	5,620	101,346
Payable from restricted assets -			
Revenue bonds	11,000	-	11,000
Total current liabilities	106,726	5,620	112,346
Noncurrent liabilities:			
Compensated absences	725	543	1,268
Customers' deposits	25,382	48,335	73,717
Due to DOTD	-	77,500	77,500
Revenue bonds payable	170,000	-	170,000
Total noncurrent liabilities	196,107	126,378	322,485
Total liabilities	302,833	131,998	434,831
NET POSITION			
Net investment in capital assets	1,551,652	179,463	1,731,115
Restricted for debt service	7,451	-	7,451
Unrestricted	120,513	105,397	225,910
Total net position	\$ 1,679,616	\$ 284,860	\$ 1,964,476

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



TOWN OF SIMMESPORT, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position  
 Proprietary Funds - Enterprise Funds  
 For the Year Ended June 30, 2016

	Water & Sewer Utility	Natural Gas System	Total
Operating revenues:			
Charges for services -			
Water service charges	\$ 209,432	\$ -	\$ 209,432
Sewer service charges	138,908	-	138,908
Gas charges	-	174,621	174,621
Installation and other charges	<u>11,693</u>	<u>4,988</u>	<u>16,681</u>
Total operating revenues	<u>360,033</u>	<u>179,609</u>	<u>539,642</u>
Operating expenses:			
Salaries	144,388	48,669	193,057
Payroll taxes	11,739	2,743	14,482
Depreciation expense	87,405	27,755	115,160
Maintenance and repairs	45,139	7,483	52,622
Legal and professional	3,793	3,595	7,388
Insurance	18,310	15,432	33,742
Office supplies and postage	1,874	1,834	3,708
Fuel and oil	14,468	4,873	19,341
Chemicals and supplies	45,997	7,860	53,857
Utilities and telephone	52,035	2,262	54,297
Lease payments	4,785	524	5,309
Meter reading	10,331	10,331	20,662
Gas purchases	-	48,816	48,816
Other	<u>8,855</u>	<u>4,829</u>	<u>13,684</u>
Total operating expenses	<u>449,119</u>	<u>187,006</u>	<u>636,125</u>
Operating income (loss)	<u>(89,086)</u>	<u>(7,397)</u>	<u>(96,483)</u>
Nonoperating revenues (expenses):			
Interest income	99	-	99
Miscellaneous revenue	-	3,041	3,041
State grants	391,809	-	391,809
Interest expense	<u>(864)</u>	<u>-</u>	<u>(864)</u>
Total nonoperating revenues (expenses)	<u>391,044</u>	<u>3,041</u>	<u>394,085</u>
Income before transfers	301,958	(4,356)	297,602
Transfers in (out)			
Transfers in	12,529	-	12,529
Transfers out	<u>(25,386)</u>	<u>(16,405)</u>	<u>(41,791)</u>
Total transfers in (out)	<u>(12,857)</u>	<u>(16,405)</u>	<u>(29,262)</u>
Change in net position	289,101	(20,761)	268,340
Net position, beginning	<u>1,390,515</u>	<u>305,621</u>	<u>1,696,136</u>
Net position, ending	<u>\$ 1,679,616</u>	<u>\$ 284,860</u>	<u>\$ 1,964,476</u>

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

TOWN OF SIMMESPORT, LOUISIANA

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended June 30, 2016

	Water & Sewer Utility	Natural Gas System	Total
Cash flows from operating activities:			
Receipts from customers	\$ 353,913	\$ 239,603	\$ 593,516
Payments to suppliers	(132,808)	(173,682)	(306,490)
Payments to employees	(155,402)	(50,869)	(206,271)
Other receipts	<u>11,693</u>	<u>4,988</u>	<u>16,681</u>
Net cash provided by operating activities	<u>77,396</u>	<u>20,040</u>	<u>97,436</u>
Cash flows from noncapital financing activities:			
Miscellaneous revenue	-	3,041	3,041
Net transfers to other funds	<u>(12,857)</u>	<u>(16,405)</u>	<u>(29,262)</u>
Net cash used by noncapital financing activities	<u>(12,857)</u>	<u>(13,364)</u>	<u>(26,221)</u>
Cash flows from capital and related financing activities:			
Interest and fiscal charges paid on revenue bonds	(864)	-	(864)
Principal paid on bonds	(10,998)	-	(10,998)
Proceeds from grant	309,577	-	309,577
Acquisition of property, plant and equipment	<u>(400,248)</u>	<u>(8,439)</u>	<u>(408,687)</u>
Net cash used by capital and related financing activities	<u>(102,533)</u>	<u>(8,439)</u>	<u>(110,972)</u>
Cash flows from investing activities:			
Interest received on interest-bearing deposits	<u>99</u>	<u>-</u>	<u>99</u>
Net cash provided by investing activities	<u>99</u>	<u>-</u>	<u>99</u>
Net decrease in cash and cash equivalents	(37,895)	(1,763)	(39,658)
Cash and cash equivalents, beginning of period	<u>168,121</u>	<u>221,039</u>	<u>389,160</u>
Cash and cash equivalents, end of period	<u>\$ 130,226</u>	<u>\$ 219,276</u>	<u>\$ 349,502</u>

(continued)

TOWN OF SIMMESPORT, LOUISIANA

Statement of Cash Flows  
 Proprietary Funds (Continued)  
 For the Year Ended June 30, 2016

	<u>Water &amp; Sewer Utility</u>	<u>Natural Gas System</u>	<u>Total</u>
Reconciliation of operating loss to net cash provided by operating activities:			
Operating loss	\$ (89,086)	\$ (7,397)	\$ (96,483)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	87,405	27,755	115,160
Changes in current assets and liabilities:			
Decrease in accounts receivable	8,474	164	8,638
Decrease in due from other governmental agencies	-	64,818	64,818
Increase (decrease) in accounts payable	72,779	(65,843)	6,936
Increase in compensated absences	725	543	1,268
Decrease in customers' deposit payable	<u>(2,901)</u>	<u>-</u>	<u>(2,901)</u>
Net cash provided by operating activities	<u>\$ 77,396</u>	<u>\$ 20,040</u>	<u>\$ 97,436</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position			
Cash and cash equivalents, beginning of period -			
Cash and interest-bearing deposits - unrestricted	\$ 131,411	\$ 172,704	\$ 304,115
Cash and interest-bearing deposits - restricted	<u>36,710</u>	<u>48,335</u>	<u>85,045</u>
Total cash and cash equivalents, beginning of period	<u>168,121</u>	<u>221,039</u>	<u>389,160</u>
Cash and cash equivalents, end of period -			
Cash and interest-bearing deposits - unrestricted	86,393	170,941	257,334
Cash and interest-bearing deposits - restricted	<u>43,833</u>	<u>48,335</u>	<u>92,168</u>
Total cash and cash equivalents, end of period	<u>130,226</u>	<u>219,276</u>	<u>349,502</u>
Net decrease	<u>\$ (37,895)</u>	<u>\$ (1,763)</u>	<u>\$ (39,658)</u>

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

TOWN OF SIMMESPORT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Simmesport (Town) 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. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsections of this note.

A. Financial Reporting Entity

The Town was incorporated in 1925 under the provisions of the Lawrason Act. The Town operates under a Mayor-Council form of government and provides the following services: public safety (police and fire), highway and streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services.

This report includes all funds and activities that are controlled by the Town as an independent political subdivision of the State of Louisiana. There are no component units required to be reported in conformity with generally accepted accounting principles.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements provide operational accountability information for the Town as an economic unit. The government-wide financial statements report the Town's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities and all business-type activities of the primary government.

Fund Financial Statements

The accounts of the Town are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures/expenses, and transfers.

Major funds are determined as funds whose revenues, expenditures/expenses, assets and deferred outflows of resources or liabilities and deferred inflows of resources are at least ten percent of the totals for all governmental or enterprise funds and at least five percent of the aggregate amount for all governmental and enterprise funds for the same item or funds designated as major at the discretion of the Town. Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements. The Town uses the following funds, grouped by fund type.

TOWN OF SIMMESPORT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Governmental Funds –

Governmental Funds are those through which most governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. Governmental Funds of the Town are as follows:

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

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principle, interest, and related costs.

Proprietary Funds –

Proprietary funds are used to account for ongoing operations and activities that are similar to those often found in the private sector where the intent is that costs of providing goods and services be recovered through user charges. The proprietary funds maintained by the Town are the enterprise funds.

Enterprise funds are used to report activities for which a fee is charged to external users. These funds account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town's enterprise funds are the Water and Sewer Fund and the Natural Gas Fund.

C. Measurement Focus/Basis of Accounting

The measurement focus determines the accounting and financial reporting treatment applied to a fund. The governmental and business-type activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows.

The fund financial statements use either the current financial resources measurement focus or the economic resources measurement focus as appropriate. Governmental funds use the current financial resources measurement focus.

TOWN OF SIMMESPORT, LOUISIANA

Notes to Basic Financial Statements (Continued)

The measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income. The measurement focus of the proprietary fund types, the flow of economic resources, is based upon determination of net income, net position and cash flows.

The accrual basis of accounting is used throughout the government-wide statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this is grants collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. The Town considers reimbursement amounts received within one year as available. The Town accrues intergovernmental revenue, ad valorem and sales tax revenue, franchise fees, charges for services, and investment income based upon this concept. Expenditures generally are recognized when the related fund liabilities are incurred and become payable in the current period. Proceeds of debt are reported as other financing sources, and principal and interest on long-term debt, as well as expenditure related to compensated absences and claims and judgments, are recorded as expenditures when paid.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursement for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the Town. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the Town and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The financial statements of the enterprise funds have been prepared in accordance with the accrual basis of accounting. Accordingly, revenues are recorded when earned, and expenses and related liabilities are recorded when incurred.

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 cash on hand, demand accounts, savings accounts and certificates of deposits of the Town.

## TOWN OF SIMMESPORT, LOUISIANA

### Notes to Basic Financial Statements (Continued)

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

#### Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Business-type activities report customers’ utility service receivables as their major receivables. Uncollectible amounts due from customers’ utility receivables 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. No allowance for uncollectible receivables is recorded due to the immateriality at June 30, 2016. 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 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 are reported as “advances from and to other funds.” Interfund receivables and payables, advances to and from other funds, as well as due to and from other funds are eliminated in the statement of net position.

#### Restricted Assets

Restricted assets include cash and interest-bearing deposits that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts, utility meter deposits, excess payments of ad valorem taxes, and sales tax revenues.

#### 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 cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Prior to July 1, 2003, governmental funds’ infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

TOWN OF SIMMESPORT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 and improvements	20-50 years
Vehicles and movable equipment	7-15 years
Heavy equipment	10-20 years
Utility system and improvements	20-50 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental funds upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same way 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 primarily of the revenue bonds payable, capital lease payable, and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of 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

Town employees are eligible for vacation and sick leave in accordance with the Town's employee handbook and policy manual adopted in December 2009 and revised in 2014. The policy does not allow vacation time to be accumulated past the year in which it was granted. Sick leave is lost upon separation from employment; therefore there is no liability recorded in these financial statements for sick leave. It is the Town's policy to recognize the costs of compensated absences when actually paid to employees.

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.



## TOWN OF SIMMESPORT, LOUISIANA

### Notes to Basic Financial Statements (Continued)

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.

After 1 year of full time employment, employees of the Town of Simmesport earn annual leave at the rate of 5 to 20 days each year, depending upon their length of service. Annual leave is payable upon termination.

Employees of the Town earn 5 to 25 days of sick leave each year, depending upon their length of service. Unused sick leave may be carried forward from year to year not to exceed 25 days. Unused sick leave is not payable upon termination.

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. There were no deferred outflows of resources as of June 30, 2016.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period (s) and so will not be recognized as an inflow of resources (revenue) until that time. There were no deferred inflows of resources as of June 30, 2016.

#### 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 net position with constraints placed on the use by either (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) laws through constitutional provisions or enabling legislation. It is the Town's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.

## TOWN OF SIMMESPORT, LOUISIANA

### Notes to Basic Financial Statements (Continued)

- c. Unrestricted net position – Consists of all other assets, deferred outflows of resources, liabilities and deferred inflows of resources that do not meet the definition of “restricted” or “net investment in capital assets.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the Town is bound to honor constraints imposed on the specific purpose for which amounts in those funds can be spent. The categories and their purposes are:

- a. Nonspendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints requiring they remain intact. The Town’s nonspendable fund balance includes inventories and prepaid items.
- b. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, contributors, or amounts constrained due to constitutional provisions or enabling legislation or the laws or regulations of other governments.
- c. Committed includes fund balance amounts that can be used only for specific purposes that are internally imposed by the Town through formal legislative action of the Mayor and Council and does not lapse at year end. A committed fund balance constraint can only be established, modified or rescinded by passage of an ordinance (Law) by the Mayor and Council.
- d. Assigned includes fund balance amounts that are constrained by the Town’s intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directive from the Town administrator and approval of a resolution by the Mayor and Council.
- e. Unassigned includes fund balance amounts which have not been classified within the above mentioned categories.

It is the Town’s policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Town uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

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

TOWN OF SIMMESPORT, LOUISIANA

Notes to Basic Financial Statements (Continued)

E. Revenues, Expenditures, and Expenses

Revenues

The Town considers revenue to be susceptible to accrual in the governmental funds as it becomes measurable and available, as defined under the modified accrual basis of accounting. The Town generally defines the availability period for revenue recognition as received within sixty (60) days of year end. The Town's major revenue sources that meet this availability criterion are intergovernmental revenues, franchise fees, tax revenue, and charges for services.

There are two classifications of programmatic revenues for the Town, grant revenue and program revenue. Grant revenues are revenues from federal, state, and private grants. These revenues are recognized when all applicable eligibility requirements are met and are reported as intergovernmental revenues. Program revenues are derived directly from the program itself or from parties outside the Town's taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from the Town's general revenues. The primary sources of program revenue are fees, fines, and charges paid by recipients of goods or services, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and earned income in connection with the operation of the Town's utility system.

Interest income is recorded as earned in the fund holding the interest bearing asset.

Substantially all other revenues are recorded when received.

Operating Revenues and Expenses

In the proprietary funds, operating revenues are those revenues produced as a result of providing services and producing and delivering goods and/or services. Nonoperating revenues are funds primarily provided by investing activities, such as financial institution interest income, gains on disposal of assets and insurance recoveries on property loss. Operating expenses are those expenses related to the production of revenue. Nonoperating expenses are those expenses not directly related to the production of revenue and include items such as interest expense and losses on disposal of assets.

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 Funds - By Operating and Non-operating

TOWN OF SIMMESPORT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Ad valorem tax	See Note 9
Sewer revenue	Utility operations

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

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Town 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 Town may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

TOWN OF SIMMESPORT, LOUISIANA

Notes to Basic Financial Statements (Continued)

At June 30, 2016, the Town had cash and interest-bearing deposits (book balances) totaling \$805,617 as follows:

	Governmental Activities	Business-Type Activities	Total
Demand deposits	\$ 456,115	\$ 319,261	\$ 775,376
Time deposits	-	30,241	30,241
Total	<u>\$ 456,115</u>	<u>\$ 349,502</u>	<u>\$ 805,617</u>

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered or the Town will not be able to recover collateral securities that are in the possession of an outside party. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2016, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 927,961</u>
Insured	305,405
Pledged securities	<u>622,556</u>
Total FDIC insurance and pledged securities	<u>\$ 927,961</u>

Deposits in the amount of \$305,405 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the Town's name. The Town does not have a policy for custodial credit risk.

(3) Receivables

Receivables at June 30, 2016 of \$182,413 consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Receivables			
Charges for services	\$ -	\$ 66,366	\$ 66,366
Taxes:			
Ad valorem tax	5,971	-	5,971
Sales tax	68,198	-	68,198
Franchise tax	17,382	-	17,382
Other	<u>24,424</u>	<u>72</u>	<u>24,496</u>
Total accounts receivable	<u>\$ 115,975</u>	<u>\$ 66,438</u>	<u>\$ 182,413</u>

TOWN OF SIMMESPORT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>7/1/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2016</u>
Governmental activities:				
Capital assets not being depreciated -				
Land	\$ 24,786	\$ -	\$ -	\$ 24,786
Other capital assets -				
Buildings and improvements	616,193	123,400	-	739,593
Equipment, furniture and fixtures	<u>1,601,783</u>	<u>59,237</u>	-	<u>1,661,020</u>
Totals	<u>2,242,762</u>	<u>182,637</u>	-	<u>2,425,399</u>
Less accumulated depreciation -				
Buildings and improvements	245,238	21,894	-	267,132
Equipment, furniture and fixtures	<u>1,134,937</u>	<u>51,572</u>	-	<u>1,186,509</u>
Total accumulated depreciation	<u>1,380,175</u>	<u>73,466</u>	-	<u>1,453,641</u>
Governmental activities, capital assets, net	<u>\$ 862,587</u>	<u>\$ 109,171</u>	<u>\$ -</u>	<u>\$ 971,758</u>
	<u>Balance</u>			<u>Balance</u>
	<u>7/1/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2016</u>
Business-type activities:				
Capital assets not being depreciated -				
Land	\$ 17,636	\$ -	\$ -	\$ 17,636
Construction in progress	120,413	391,809	77,500	434,722
Other capital assets -				
Water system	1,267,871	7,551	-	1,275,422
Sewer system	2,479,793	888	-	2,480,681
Gas system	<u>1,028,763</u>	<u>85,939</u>	-	<u>1,114,702</u>
Totals	<u>4,914,476</u>	<u>486,187</u>	<u>77,500</u>	<u>5,323,163</u>
Less accumulated depreciation -				
Water system	1,219,629	69,637	-	1,289,266
Sewer system	1,179,775	17,768	-	1,197,543
Machinery and equipment	<u>907,484</u>	<u>27,755</u>	-	<u>935,239</u>
Total accumulated depreciation	<u>3,306,888</u>	<u>115,160</u>	-	<u>3,422,048</u>
Business-type activities, capital assets, net	<u>\$ 1,607,588</u>	<u>\$ 371,027</u>	<u>\$ 77,500</u>	<u>\$ 1,901,115</u>

TOWN OF SIMMESPORT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 26,424
Police	17,342
Streets and sidewalks	29,700
Total depreciation expense	<u>\$ 73,466</u>

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

Water	\$ 87,405
Sewer	27,755
Total depreciation expense	<u>\$ 115,160</u>

(5) Restricted Assets

Restricted assets consisted of the following at June 30, 2016:

	<u>Water/Sewer System</u>	<u>Gas System</u>	<u>Total</u>
Customers' deposit	\$ 25,382	\$ 48,335	\$ 73,717
2011 sinking fund	3,102	-	3,102
2011 revenue bond reserve fund	15,349	-	15,349
Grant receivable	82,232	-	82,232
Accrued interest	20	-	20
Total restricted assets	<u>\$ 126,085</u>	<u>\$ 48,335</u>	<u>\$ 174,420</u>

(6) Accounts, Salaries, and Other Payables

The accounts and other payables consisted of the following at June 30, 2016:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 26,910	\$ 101,346	\$ 128,256
Payroll	204	-	204
Totals	<u>\$ 27,114</u>	<u>\$ 101,346</u>	<u>\$ 128,460</u>

TOWN OF SIMMESPORT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(7) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions for the year ended June 30, 2016:

	<u>Balance</u> <u>7/1/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2016</u>	<u>Amount due</u> <u>in one year</u>
Long-term debt:					
Capital lease	\$ 30,839	\$ -	\$ 7,914	\$ 22,925	\$ 8,277
Note payable	-	49,265	2,815	46,450	11,681
General obligation bond	-	80,000	12,000	68,000	13,000
Sewer revenue bond	192,000	-	11,000	181,000	11,000
Other liabilities:					
Compensated absences	2,837	1,845	2,994	1,688	-
Due to DOTD	<u>77,500</u>	<u>-</u>	<u>-</u>	<u>77,500</u>	<u>-</u>
	<u>\$ 303,176</u>	<u>\$ 131,110</u>	<u>\$ 36,723</u>	<u>\$ 397,563</u>	<u>\$ 43,958</u>

The capital lease, note payable, and general obligation bond are liquidated by governmental activities. The sewer revenue bond and due to DOTD are associated with enterprise funds. Compensated absences are generally liquidated by the General Fund and enterprise funds.

The Town is obligated under a capital lease. The leased asset is recorded in capital assets at \$24,493 (net of accumulated depreciation of \$8,906) and the applicable debt recorded in long-term debt. The following is a schedule of future minimum lease payments under the lease and the present value of the net minimum lease payments at June 30, 2016.

<u>Year Ending</u> <u>June 30,</u>	<u>Governmental</u> <u>Activities</u>
2017	\$ 9,139
2018	9,139
2019	<u>6,093</u>
Total minimum lease payments	24,371
Less amount representing interest	<u>(1,446)</u>
Present value of minimum lease payments	<u>\$ 22,925</u>

Depreciation of leased equipment and vehicles under capital leases in the amount of \$2,227 for the year ended June 30, 2016 is included in depreciation expense.



TOWN OF SIMMESPORT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Note payable at June 30, 2016 consisted of a purchase agreement for equipment through Simmesport State Bank, dated February 26, 2016, due in monthly installments of \$1,128, with interest of 4.5 percent, through February 1, 2020. Annual debt service on the note payable is as follows:

Year Ending June 30,	Governmental Activities		
	Principle	Interest	Total
2017	\$ 11,681	\$ 1,851	\$ 13,532
2018	12,217	1,315	13,532
2019	12,779	753	13,532
2020	9,773	178	9,951
	<u>\$ 46,450</u>	<u>\$ 4,097</u>	<u>\$ 50,547</u>

Bonds payable at June 30, 2016 are comprised of the following issues:

General obligation bond:

\$80,000 of Series 2015 certificates of indebtedness dated August 11, 2015 due in annual installments ranging from \$8,000 to \$14,000 through March 1, 2021; interest at 2.47 percent; secured by a pledge of sales tax revenue. \$ 68,000

Revenue bond:

\$236,000 of 2011 Sewer Revenue Bonds dated June 16, 2011, due in annual installments of \$11,000 to \$13,000 with interest of .45 percent; matures June 1, 2031. \$ 181,000

The bonds are due as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 13,000	\$ 1,650	\$ 11,000	\$ 815
2018	13,000	1,348	11,000	765
2019	14,000	1,045	12,000	716
2020	14,000	715	12,000	662
2021	14,000	385	12,000	608
2022-2026	-	-	60,000	2,228
2027-2031	-	-	63,000	853
	<u>\$ 68,000</u>	<u>\$ 5,143</u>	<u>\$ 181,000</u>	<u>\$ 6,647</u>

TOWN OF SIMMESPORT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) 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 October and are actually billed to taxpayers in November. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Avoyelles Parish. Town property tax revenues are budgeted in the year billed.

For the year ended June 30, 2016, taxes of 4.98 mills were levied on property with assessed valuations totaling \$5,538,250 and were dedicated to general maintenance.

Total taxes levied were \$27,581. Taxes receivable at June 30, 2016 were \$5,971.

(9) Compensation, Benefits and Other Payments to Mayor

A detail of compensation, benefits, and other payments paid to Mayor Eric Rusk for the year ended June 30, 2016 are as follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 11,250
Travel	871
	<u>\$ 12,121</u>

(10) Compensation Paid to Town Officials

A detail of compensation paid to the Mayor and Council, for the year ended June 30, 2016, follows:

Eric Rusk, Mayor	\$ 11,250
Aldermen:	
Jacob Coco	2,700
Kenneth L. Marsh	4,350
Ted P. Turner	4,350
Brandon Newsome	1,650
Myron Brown	4,350
Sherman R. Bell	4,350
	<u>\$ 33,000</u>

TOWN OF SIMMESPORT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Interfund Transactions

- A. The Town of Simmesport had no interfund receivables or payables at June 30, 2016.
- B. Transfers consisted of the following at June 30, 2016:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
General Fund	\$ 29,261	\$ 42,295
Capital Projects Fund	22,494	
2015 Sales Tax Debt Service Fund	<u>19,802</u>	<u>-</u>
Total governmental funds	71,557	42,295
Proprietary funds:		
Water and Sewer Fund	12,529	25,386
Natural Gas Fund	<u>-</u>	<u>16,405</u>
Total proprietary funds	<u>12,529</u>	<u>41,791</u>
Total	<u>\$ 84,086</u>	<u>\$ 84,086</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.

(12) Social Security System

Employees of the Town are members of the Social Security System. The Town and its employees contribute a percentage of each employee's salary to the system (6.2 percent contributed by the Town; 6.2 percent contributed by the employee). The Town's contributions during the year ended June 30, 2016 amounted to \$30,536.

(13) On-Behalf Payment of Salaries

The State of Louisiana paid the Town's policemen \$7,500 of supplemental pay during the year ended June 30, 2016. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government-wide and General Fund financial statements.

(14) Litigation and Claims

At June 30, 2016, the Town was not involved in any lawsuits claiming damages that would not be adequately covered by liability insurance.

TOWN OF SIMMESPORT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(15) Risk Management

The Town 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 were no significant reductions in the insurance coverage during the year, nor have settlements exceeded insurance coverage for the past three years.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

TOWN OF SIMMESPORT, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>Revenues:</b>				
Taxes	\$ 530,401	\$ 530,401	\$ 492,353	\$ (38,048)
Licenses and permits	51,250	51,250	65,893	14,643
Intergovernmental	67,620	67,620	78,481	10,861
Fines and forfeits	58,600	58,600	122,033	63,433
Miscellaneous	13,005	13,005	27,940	14,935
Total revenues	<u>720,876</u>	<u>720,876</u>	<u>786,700</u>	<u>65,824</u>
<b>Expenditures:</b>				
General government	200,225	200,225	281,091	(80,866)
Public safety -				
Police	241,979	241,979	305,926	(63,947)
Fire	5,000	5,000	6,577	(1,577)
Culture and recreation	10,725	10,725	11,293	(568)
Streets and sidewalks	105,600	105,600	131,390	(25,790)
Capital outlay	49,265	49,265	53,934	(4,669)
Debt service				
Principle	10,000	10,000	10,729	(729)
Interest	-	-	1,794	(1,794)
Total expenditures	<u>622,794</u>	<u>622,794</u>	<u>802,734</u>	<u>(179,940)</u>
Excess (deficiency) of revenues over expenditures	<u>98,082</u>	<u>98,082</u>	<u>(16,034)</u>	<u>(114,116)</u>
<b>Other financing sources (uses):</b>				
Proceeds from long-term debt	49,265	49,265	49,265	-
Transfers in	34,135	34,135	29,261	(4,874)
Transfers out	-	-	(42,295)	(42,295)
Total other financing sources (uses)	<u>83,400</u>	<u>83,400</u>	<u>36,231</u>	<u>(47,169)</u>
Net change in fund balance	181,482	181,482	20,197	(161,285)
Fund balance, beginning	<u>518,065</u>	<u>518,065</u>	<u>518,065</u>	<u>-</u>
Fund balance, ending	<u>\$ 699,547</u>	<u>\$ 699,547</u>	<u>\$ 538,262</u>	<u>\$ (161,285)</u>

TOWN OF SIMMESPORT, LOUISIANA

Notes to the Required Supplementary Information  
For the Year Ended June 30, 2016

(1) Budget and Budgetary Accounting

The Town follows the following procedures in establishing the budget:

1. The Mayor and the Town Clerk prepare a proposed budget and submit it to the Council no later than fifteen days prior to the beginning of each fiscal year.
2. A notice is published in the newspaper and the public is 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 10 days after the publication of the call for the hearing.
4. After the public hearing is held and the completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program of function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Council.
6. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget amounts are as originally adopted or as amended by the Mayor and Council. Such amendments were not material in relation to the original appropriations.
7. Budgetary appropriations lapse at the end of each fiscal year and must be re-appropriated for the following year in order to be expended.

(2) Excess of Expenditures over Appropriations

The General Fund incurred expenditures in excess of appropriations totaling \$179,940 for the year ended June 30, 2016.

**OTHER SUPPLEMENTARY INFORMATION**



TOWN OF SIMMESPORT, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Taxes:				
Ad valorem	\$ 21,000	\$ 21,000	\$ 25,114	\$ 4,114
Sales tax	380,000	380,000	378,121	(1,879)
Franchise -				
Electric	113,000	113,000	70,990	(42,010)
Telephone	1,551	1,551	4,018	2,467
Cable TV	5,850	5,850	5,097	(753)
Other	9,000	9,000	9,013	13
Total taxes	<u>530,401</u>	<u>530,401</u>	<u>492,353</u>	<u>(38,048)</u>
Licenses and permits:				
Occupational licenses	38,000	38,000	63,293	25,293
Building permits	13,250	13,250	2,600	(10,650)
Total licenses and permits	<u>51,250</u>	<u>51,250</u>	<u>65,893</u>	<u>14,643</u>
Intergovernmental:				
Department of Revenue and Taxation -				
Beer taxes	5,000	5,000	4,803	(197)
Video Poker	52,000	52,000	64,903	12,903
Department of Transportation -				
Grass cutting	3,120	3,120	1,275	(1,845)
Louisiana Commission on Law				
Enforcement	7,500	7,500	7,500	-
Total intergovernmental	<u>67,620</u>	<u>67,620</u>	<u>78,481</u>	<u>10,861</u>
Fines and forfeits:				
Fines and court costs	58,600	58,600	122,033	63,433
Miscellaneous:				
Interest	5	5	463	458
Rental	3,000	3,000	2,040	(960)
LWCC Dividends	-	-	20,554	20,554
Other sources	10,000	10,000	4,883	(5,117)
Total miscellaneous	<u>13,005</u>	<u>13,005</u>	<u>27,940</u>	<u>14,935</u>
 Total revenues	 <u>\$ 720,876</u>	 <u>\$ 720,876</u>	 <u>\$ 786,700</u>	 <u>\$ 65,824</u>

TOWN OF SIMMESPORT, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
General government -				
Administration:				
Salaries	\$ 72,000	\$ 72,000	\$ 88,228	\$ (16,228)
Payroll taxes	6,000	6,000	7,172	(1,172)
Legal and professional fees	20,000	20,000	19,529	471
Insurance	20,790	20,790	26,332	(5,542)
Printing and publications	800	800	3,361	(2,561)
Office supplies and postage	6,500	6,500	6,691	(191)
Dues and subscriptions	2,500	2,500	6,068	(3,568)
Town hall expense	1,000	1,000	6,113	(5,113)
Utilities and telephone expense	14,500	14,500	10,376	4,124
Repairs and maintenance	9,000	9,000	23,911	(14,911)
Coroner Fees	3,600	3,600	250	3,350
Travel and convention	3,000	3,000	8,069	(5,069)
Collection fees	-	-	5,510	(5,510)
Lease payments	3,500	3,500	3,732	(232)
Miscellaneous	<u>37,035</u>	<u>37,035</u>	<u>65,749</u>	<u>(28,714)</u>
Total general government	<u>200,225</u>	<u>200,225</u>	<u>281,091</u>	<u>(80,866)</u>
Public safety -				
Police:				
Salaries	140,000	140,000	173,750	(33,750)
Payroll taxes	10,700	10,700	13,698	(2,998)
Supplemental pay	7,500	7,500	7,500	-
Insurance	13,679	13,679	28,680	(15,001)
Telephone expense	2,000	2,000	2,922	(922)
Legal and professional fees	6,000	6,000	2,244	3,756
Office expense	8,200	8,200	2,728	5,472
Uniforms	3,000	3,000	1,248	1,752
Materials and supplies	10,000	10,000	11,931	(1,931)
Fuel and oil	24,000	24,000	17,544	6,456
Repairs and maintenance	7,000	7,000	26,422	(19,422)
Magistrate fees	2,000	2,000	1,076	924
Training	2,200	2,200	539	1,661
Miscellaneous	<u>5,700</u>	<u>5,700</u>	<u>15,644</u>	<u>(9,944)</u>
Total police	<u>241,979</u>	<u>241,979</u>	<u>305,926</u>	<u>(63,947)</u>

(continued)

TOWN OF SIMMESPORT, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public safety -				
Fire:				
Telephone expense	1,000	1,000	2,248	(1,248)
Utilities	4,000	4,000	4,205	(205)
Miscellaneous	-	-	124	(124)
Total fire	<u>5,000</u>	<u>5,000</u>	<u>6,577</u>	<u>(1,577)</u>
Culture and recreation -				
Community center expense	1,200	1,200	1,507	(307)
Park expense	5,000	5,000	4,151	849
Tourist center expense	325	325	345	(20)
Council on aging expense	4,200	4,200	5,290	(1,090)
Total recreation	<u>10,725</u>	<u>10,725</u>	<u>11,293</u>	<u>(568)</u>
Streets and sidewalks -				
Salaries	18,000	18,000	8,633	9,367
Payroll taxes	1,900	1,900	1,055	845
Repairs and maintenance	4,000	4,000	15,824	(11,824)
Truck fuel and expenses	5,000	5,000	2,636	2,364
Materials and supplies	11,200	11,200	20,518	(9,318)
Vapor lights	49,500	49,500	51,240	(1,740)
Insurance	4,000	4,000	19,937	(15,937)
Lease payments	2,500	2,500	6,429	(3,929)
Equipment fuel and expenses	6,000	6,000	1,933	4,067
Utilities and telephone	400	400	1,120	(720)
Miscellaneous	3,100	3,100	2,065	1,035
Total streets and sidewalks	<u>105,600</u>	<u>105,600</u>	<u>131,390</u>	<u>(25,790)</u>
Capital outlay -				
General government	-	-	1,772	(1,772)
Streets and drainage	-	49,265	52,162	(2,897)
Total capital outlay	<u>-</u>	<u>49,265</u>	<u>53,934</u>	<u>(4,669)</u>
Debt service -				
Police lease payments	10,000	10,000	7,914	2,086
Streets and drainage	-	-	2,815	(2,815)
Interest	-	-	1,794	(1,794)
Total debt service	<u>10,000</u>	<u>10,000</u>	<u>12,523</u>	<u>(2,523)</u>
Total expenditures	<u>\$ 573,529</u>	<u>\$ 622,794</u>	<u>\$ 802,734</u>	<u>\$ (175,331)</u>

**INTERNAL CONTROL,  
COMPLIANCE  
AND OTHER MATTERS**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

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

P. O. Box 531  
Marksville, LA 71351

Phone (318) 253-9252  
Fax (318) 253-8681

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

## 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

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

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

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

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

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

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

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

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

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

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

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

Retired:  
Conrad O. Chapman, CPA\* 2006

\* A Professional Accounting Corporation

The Honorable Leslie Draper III, Mayor  
and Members of the Council  
Town of Simmesport, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Simmesport, Louisiana (Town), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Simmesport, Louisiana's basic financial statements and have issued our report thereon dated April 21, 2017.

### Internal Control Over Financial Reporting

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

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 Town of Simmesport, Louisiana'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 as items 2016-001, 2016-002, and 2016-008 to be material weaknesses.

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. We found no deficiencies required to be reported as significant deficiencies.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Simmesport, Louisiana's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompany summary schedule of current and prior year audit findings and corrective action plan as items 2016-003, 2016-004, 2016-005, 2016-006, 2016-007, and 2016-009.

## **Town of Simmesport, Louisiana's Response to Findings**

The Town of Simmesport, Louisiana's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The Town of Simmesport, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, 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  
April 21, 2017

TOWN OF SIMMESPORT, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan  
For the Year Ended June 30, 2016

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (6/30/16)</u>						
<u>Internal Control:</u>						
2016-001	Unknown	Due to the small number of administrative personnel, the Town did not have adequate segregation of accounting functions.	N/A	We agree that a complete segregation of accounting functions would strengthen the controls, but with limited current financial resources, we are not able to hire additional personnel at this time.	Mayor Leslie Draper, III	N/A
2016-002	2007	The Town does not have a staff person who has the ability to independently prepare financial statements and related footnote disclosures in accordance with generally accepted accounting principles (GAAP).	N/A	The Town 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.	Mayor Leslie Draper, III	N/A
2016-008	2016	The Town could not provide documentation for certain items requested during our audit.	No	The Town will maintain appropriate documentation for all transactions as required by Louisiana state statute.	Mayor Leslie Draper, III	Immediately
<u>Compliance:</u>						
2016-003	2015	The audited financial statements were not completed within six months of the fiscal year end as required by Louisiana R.S. 24:514.	No	The Town of Simmesport fully acknowledges the audit reporting requirements and that the audit report must be filed with the State of Louisiana within six months of the fiscal year end. The Town will make certain that the audit report is filed in the required time in the future.	Mayor Leslie Draper, III	6/30/2017
2016-004	2014	Required transfers were not made in accordance with bond requirements.	No	The Town will make the required transfers into the Sinking Fund and Reserve Fund on a monthly basis.	Mayor Leslie Draper, III	Immediately
2016-005	2016	The Town did not obtain State Bond Commission approval before incurring a bank loan for equipment purchases as required by Louisiana R.S. 39:1410.60.	No	The Town will ensure approval is requested from the State Bond Commission before incurring any long-term debt	Mayor Leslie Draper, III	Immediately
2016-006	2016	Town funds were used to reimburse the mayor for personal expenses, including alcohol, in violation of Article VII, section 14(A) of the Louisiana Constitution. Such expenses are estimated to total approximately \$1,700. Based on evidence provided, these reimbursements do not appear to be fraud.	No	The Town is in contact with their legal staff and is attempting to collect the amount from the previous mayor. The Town will ensure that public funds are used in accordance with state law.	Mayor Leslie Draper, III	Immediately

(continued)

TOWN OF SIMMESPORT, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan (Continued)  
For the Year Ended June 30, 2016

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<b>CURRENT YEAR (6/30/16)</b>						
2016-007	2016	The Town was unable to reconcile interfund activity, resulting in unaccounted for expenditures of \$28,408.	No	The Town will ensure all interfund activity is reconciled in a timely manner.	Mayor Leslie Draper, III	Immediately
2016-009	2016	Budget variance in excess of 5% was incurred in the General Fund in violation of LSA-RS 39:1311.	No	The Town will periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statute.	Mayor Leslie Draper, III	Immediately
<b>PRIOR YEAR (6/30/15)</b>						
<u>Internal Control:</u>						
2015-001	Unknown	Due to the small number of administrative personnel, the Town did not have adequate segregation of accounting functions.	N/A	See current year finding #2016-001		
2015-002	2007	The Town does not have a staff person who has the ability to independently prepare financial statements and related footnote disclosures in accordance with generally accepted accounting principles (GAAP).	N/A	See current year finding #2016-002		
2015-003	2012	There is a lack of internal control over utility billing adjustments. There is no procedure in place to reconcile the adjustments entered into the billing software to the adjustments approved by the Mayor.	Yes			
<u>Compliance:</u>						
2015-005	2014	Required transfers were not made in accordance with bond requirements.	No	See current year finding #2016-004		