

**VILLAGE OF PLAUCHEVILLE, LOUISIANA**

Financial Report

Year Ended December 31, 2017

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Terry L. Romain, Mayor  
and Members of the Board of Aldermen  
Village of Plaquemine, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Plaquemine, Louisiana ("the Village"), as of and for the year ended December 31, 2017, 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 each major fund of the Village of Plaquemine, Louisiana, as of December 31, 2017, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 33 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 omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### *Other information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Plaquemine, Louisiana's basic financial statements. The budgetary comparison schedules on pages 36 through 38 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison schedules on pages 36 through 38 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 a report dated March 29, 2018, on our consideration of the Village of Plaquemine, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
March 29, 2018

## **BASIC FINANCIAL STATEMENTS**

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Net Position  
December 31, 2017

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and interest-bearing deposits	\$ 91,631	\$ 339,978	\$ 431,609
Receivables, net	7,063	65,041	72,104
Due from other governmental agencies	-	10,000	10,000
Prepaid items	3,626	1,929	5,555
Restricted assets:			
Cash and interest-bearing deposits	-	149,394	149,394
Capital assets:			
Land and construction in progress	108,315	1,003,946	1,112,261
Depreciable capital assets, net	<u>232,156</u>	<u>1,872,340</u>	<u>2,104,496</u>
Total assets	<u>442,791</u>	<u>3,442,628</u>	<u>3,885,419</u>
<b>LIABILITIES</b>			
Accounts and other payables	2,862	38,484	41,346
Accrued interest	-	2,694	2,694
Customer deposits payable	-	85,344	85,344
Long-term liabilities:			
Portion due within one year -			
Bonds payable	-	29,000	29,000
Portion due after one year -			
Bonds payable	<u>-</u>	<u>740,000</u>	<u>740,000</u>
Total liabilities	<u>2,862</u>	<u>895,522</u>	<u>898,384</u>
<b>NET POSITION</b>			
Net investment in capital assets	340,471	2,136,286	2,476,757
Restricted for debt service	-	32,356	32,356
Unrestricted	<u>99,458</u>	<u>378,464</u>	<u>477,922</u>
Total net position	<u>\$ 439,929</u>	<u>\$ 2,547,106</u>	<u>\$2,987,035</u>

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



VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Activities  
For the Year Ended December 31, 2017

Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Fee, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 77,865	\$ -	\$ 2,100	\$ -	\$ (75,765)	\$ -	\$ (75,765)
Public safety:							
Police	91,288	11,631	-	10,000	(69,657)	-	(69,657)
Fire	6,304	-	-	-	(6,304)	-	(6,304)
Recreation	21,613	-	-	-	(21,613)	-	(21,613)
Public works	1,710	-	-	-	(1,710)	-	(1,710)
Total governmental activities	197,070	11,631	2,100	10,000	(175,049)	-	(175,049)
Business-type activities:							
Water	433,810	521,205	-	690,857	-	778,252	778,252
Total	\$ 630,880	\$ 532,836	\$ 2,100	\$ 700,857	(175,049)	778,252	603,203
General revenues:							
Taxes -							
Property taxes, levied for general purposes					7,074	-	7,074
Sales and use taxes, levied for general purposes					36,672	-	36,672
Licenses and permits					22,483	-	22,483
Franchise taxes					18,715	-	18,715
Beer taxes					765	-	765
Interest earnings					428	853	1,281
Miscellaneous					14,550	3,173	17,723
Appropriations from other governments					2,000	-	2,000
Gain on sale of capital assets					645	-	645
Transfers					76,162	(76,162)	-
Total general revenues, special items, and transfers					179,494	(72,136)	107,358
Change in net position					4,445	706,116	710,561
Net position - Beginning					435,484	1,840,990	2,276,474
Net position - Ending					\$ 439,929	\$ 2,547,106	\$ 2,987,035

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  
December 31, 2017

ASSETS	
Cash and interest-bearing deposits	\$ 91,631
Receivables	7,063
Prepaid items	<u>3,626</u>
Total assets	<u>\$ 102,320</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts and other payables	<u>\$ 2,862</u>
Fund Balances:	
Nonspendable - prepaid items	3,626
Unassigned	<u>95,832</u>
Total fund balances	<u>99,458</u>
Total liabilities and fund balances	<u>\$ 102,320</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  
December 31, 2017

Total fund balances for governmental funds	\$ 99,458
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets, net	<u>340,471</u>
Net position of governmental activities	<u>\$ 439,929</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  
 For the Year Ended December 31, 2017

Revenues:	
Taxes	\$ 62,461
Licenses and permits	22,483
Intergovernmental	12,865
Fines and forfeits	11,631
Miscellaneous	<u>15,978</u>
Total revenues	<u>125,418</u>
Expenditures:	
Current -	
General government	62,775
Public safety:	
Police	86,406
Fire	5,959
Recreation	10,121
Public works	1,597
Capital outlay	<u>39,930</u>
Total expenditures	<u>206,788</u>
Deficiency of revenues over expenditures	<u>(81,370)</u>
Other financing sources:	
Transfers in	<u>76,162</u>
Net change in fund balance	(5,208)
Fund balance, beginning	<u>104,666</u>
Fund balance, ending	<u>\$ 99,458</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Fund  
to the Statement of Activities  
For the Year Ended December 31, 2017

Total net change in fund balance per statement of revenues, expenditures and changes in fund balance		\$ (5,208)
Capital assets	\$39,930	
Depreciation expense	<u>(31,922)</u>	8,008
Donation of capital asset		2,000
Gain on disposal of assets		645
Proceeds from sale of asset		<u>(1,000)</u>
Change in net position per statement of activities		<u>\$ 4,445</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Net Position  
 Proprietary Fund  
 December 31, 2017

ASSETS

Current assets:	
Cash and interest-bearing deposits	\$ 339,978
Receivables, net	65,041
Due from other governments	10,000
Prepaid items	<u>1,929</u>
Total current assets	<u>416,948</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing deposits	149,394
Capital assets:	
Land and construction in progress	1,003,946
Depreciable capital assets, net	<u>1,872,340</u>
Total noncurrent assets	<u>3,025,680</u>
Total assets	<u>3,442,628</u>

LIABILITIES

Current liabilities:	
Accounts payables	38,484
Payable from restricted assets -	
Revenue bond payable	29,000
Accrued interest payable	<u>2,694</u>
Total current liabilities	<u>70,178</u>
Noncurrent liabilities:	
Customers' deposits	85,344
Revenue bond payable	<u>740,000</u>
Total noncurrent liabilities	<u>825,344</u>
Total liabilities	<u>895,522</u>

NET POSITION

Net investment in capital assets	2,136,286
Restricted for debt service	32,356
Unrestricted net position	<u>378,464</u>
Total net position	<u>\$2,547,106</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

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

Operating revenues:	
Charges for services	
Water services	\$ 521,205
Miscellaneous	3,173
Total operating revenues	<u>524,378</u>
Operating expenses:	
Salaries	116,563
Payroll taxes	9,595
Maintenance and supplies	90,895
Utilities and telephone	30,496
Office supplies	13,781
Insurance	15,526
Professional fees	26,450
Miscellaneous	10,401
Depreciation expense	83,536
Total operating expenses	<u>397,243</u>
Operating income	<u>127,135</u>
Nonoperating revenues (expenses):	
Grant revenues	690,857
Interest income	853
Interest expense	(36,567)
Total nonoperating revenues (expenses)	<u>655,143</u>
Income before transfers	782,278
Operating transfers out	<u>(76,162)</u>
Change in net position	706,116
Net position, beginning	<u>1,840,990</u>
Net position, ending	<u>\$2,547,106</u>

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



VILLAGE OF PLAUCHEVILLE, LOUISIANA

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

Cash flows from operating activities:	
Receipts from customers	\$ 521,638
Payments to suppliers	(157,640)
Payments to employees	(126,158)
Other receipts	<u>3,173</u>
Net cash provided by operating activities	<u>241,013</u>
Cash flows from noncapital financing activities:	
Transfers to other funds	<u>(76,162)</u>
Cash flows from capital and related financing activities:	
Proceeds from grant revenues	680,857
Principal paid on revenue bonds payable	(28,000)
Interest and fiscal charges paid on revenue bonds	(33,873)
Capital purchase and construction of capital assets	<u>(919,238)</u>
Net cash used by capital and related financing activities	<u>(300,254)</u>
Cash flows from investing activities:	
Interest income	<u>853</u>
Net change in cash and interest-bearing deposits	(134,550)
Cash and interest-bearing deposits, beginning of period	<u>623,922</u>
Cash and interest-bearing deposits, end of period	<u>\$ 489,372</u>

(continued)

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund (Continued)  
 For the Year Ended December 31, 2017

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

Operating income	\$ 127,135
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	83,536
Changes in current assets and liabilities:	
Accounts receivable	(1,262)
Customer deposits	1,695
Prepaid items	(1,929)
Accounts payable	<u>31,838</u>
Net cash provided by operating activities	<u>\$ 241,013</u>

Reconciliation of cash and interest-bearing deposits per statement of cash flows to the balance sheet:

Cash and interest-bearing deposits, beginning of period -	
Cash and interest-bearing deposits - unrestricted	\$ 321,427
Cash and interest-bearing deposits - restricted	<u>302,495</u>
Total cash and interest-bearing deposits, beginning of period	<u>623,922</u>
Cash and interest-bearing deposits, end of period -	
Cash and interest-bearing deposits - unrestricted	339,978
Cash and interest-bearing deposits - restricted	<u>149,394</u>
Total cash and interest-bearing deposits, end of period	<u>489,372</u>
Net decrease	<u>\$ (134,550)</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. 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 Village of Plaquemine was incorporated in 1903 under the provisions of the Lawrason Act. The Village is governed by its Mayor and Board of Alderman consisting of three members.

This report includes all funds that are controlled by or dependent on the Village executive and legislative branches (the Mayor and Board of Alderman). Control by or dependence on the Village was determined on the basis of budget adopting, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

The Village of Plaquemine is a primary government and has no component units. The accompanying financial statements present information only on the funds maintained by the Village and do not present information on any other governmental unit.

##### B. Basis of Presentation

###### Government-Wide Financial Statements (GWFS)

The government-wide financial statements provide operational accountability information for the Village as an economic unit. The government-wide financial statements report the Village'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 Village 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 Village.

## VILLAGE OF PLAUCHEVILLE, LOUISIANA

### Notes to Basic Financial Statements

Funds not classified as a major fund are aggregate and presented in a single column in the fund financial statements. The Village uses the following funds, grouped by fund type.

#### Governmental Fund -

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

#### General 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.

#### Proprietary Fund –

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 fund maintained by the Village is the enterprise fund.

#### Enterprise fund

The Enterprise Fund is used to report activities for which a fee is charged to external users. This fund accounts 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 Village's enterprise fund is the Water Utility Fund.

#### C. Measurement Focus/Basis of Accounting and Financial Statement Presentation

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. The

## VILLAGE OF PLAUCHEVILLE, LOUISIANA

### Notes to Basic Financial Statements

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 Village 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 Village considers reimbursement amounts received within one year as available. The Village 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 Village. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the Village 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. Asset, 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 Village. Under state law, the Village may deposits

## VILLAGE OF PLAUCHEVILLE, LOUISIANA

### Notes to Basic Financial Statements

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 of America. The Village may invest in certificates and time deposits of state banks organized under Louisiana laws and national banks having principal offices in Louisiana.

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

#### Receivables

Receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem, sales and use taxes, and franchise taxes. Business-type activities report customers’ utility service receivables as their major receivables. Uncollectible amounts due from utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Allowance for uncollectible receivables was \$7,088 at December 31, 2017. 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.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Village in October and are actually billed to taxpayers in November. The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Avoyelles Parish. Village property tax revenues are budgeted in the year billed.

#### 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.

#### Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017, are recorded as prepaid items.

#### Restricted Assets

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

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 Village maintains a threshold level of \$500 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.

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 funds upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

Compensated Absences

Full-time employees of the Village earn from 5 to 10 days of vacation each year (depending on the length of service). Vacation time may be accumulated up to 16 hours and taken in future years; however, at termination or retirement, vacation time will be forfeited, and the employee will not be paid for any remaining vacation time. At December 31, 2017, the Village had no material accumulated leave benefits.

Full-time employees of the Village also earn sick leave of 12 days per year. Sick leave may be accumulated and taken in future years, however, at termination or retirement, sick leave will be forfeited, and the employee will not be paid for any remaining sick leave. At December 31, 2017, the Village had no material accumulated leave benefits.

No accruals for accumulated unused compensated absences have been made in these financial statements.

## VILLAGE OF PLAUCHEVILLE, LOUISIANA

### Notes to Basic Financial Statements

#### Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used 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.

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 financial statements as it is in the government-wide statements.

#### 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.

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.

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



## VILLAGE OF PLAUCHEVILLE, LOUISIANA

### Notes to Basic Financial Statements

- c. Unrestricted net position consists of all other net 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 financial 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 Village is bound to honor constraints on the specific purposes 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 Village’s nonspendable fund balance includes 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 Village through formal legislative action of the Mayor and Board of Aldermen, 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 Board of Aldermen.
- d. Assigned includes fund amounts that are constrained by the Village’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 Village administrator and approval of a resolution by the Mayor and Board of Aldermen.
- e. Unassigned includes fund balance amounts which have not been classified within the above mentioned categories.

It is the Village’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 Village uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

E. Revenues, Expenditures, and Expenses

Revenues

The Village 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 Village generally defines the availability period for revenue recognition as received within sixty (60) days of year end. The Village'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 Village, 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 Village's taxpayers or citizenry, as a whole. Programs revenues reduce the cost of the function to be financed from the Village'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 Village'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 Fund - By Operating and Nonoperating

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

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 and proprietary 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:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 7
Water revenue	Debt service and utility operations

The Village 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 expenditures 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 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 direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

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 Village's deposits may not be recovered or the Village 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) and the related federal insurance and pledged securities:

Bank balances	<u>\$ 582,908</u>
Federal deposit insurance	416,427
Uninsured and collateral held by pledging bank, not in Village's name	<u>166,481</u>
Total	<u>\$ 582,908</u>

(3) Restricted Assets

Restricted assets of business-type activities consisted of the following:

Customer meter deposits	\$ 85,344
LCDBG grant	181
Bond and interest sinking fund	5,676
Water depreciation and contingency fund	34,500
Water construction account	<u>23,693</u>
Total enterprise utility fund restricted assets	<u>\$ 149,394</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

(4) Capital Assets

Capital asset activity was as follows:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated -				
Land	\$ 103,315	\$ 5,000	\$ -	\$ 108,315
Other capital assets -				
Buildings and improvements	281,553	4,500	-	286,053
Infrastructure	344,855	3,288	-	348,143
Equipment, furniture and fixtures	107,626	29,142	-	136,768
Vehicles	<u>21,324</u>	<u>-</u>	<u>21,324</u>	<u>-</u>
Total capital assets	<u>858,673</u>	<u>41,930</u>	<u>21,324</u>	<u>879,279</u>
Less accumulated depreciation -				
Buildings and improvements	197,644	8,939	-	206,583
Infrastructure	213,821	16,026	-	229,847
Equipment, furniture and fixtures	95,421	2,333	-	97,754
Vehicles	<u>20,969</u>	<u>4,624</u>	<u>20,969</u>	<u>4,624</u>
Total accumulated depreciation	<u>527,855</u>	<u>31,922</u>	<u>20,969</u>	<u>538,808</u>
Governmental activities, capital assets, net	<u>\$ 330,818</u>	<u>\$ 10,008</u>	<u>\$ 355</u>	<u>\$ 340,471</u>
	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated -				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Construction in progress	138,030	860,916	-	998,946
Other capital assets -				
Water system	3,461,379	52,670	-	3,514,049
Machinery and equipment	<u>233,439</u>	<u>5,652</u>	<u>-</u>	<u>239,091</u>
Total capital assets	<u>3,837,848</u>	<u>919,238</u>	<u>-</u>	<u>4,757,086</u>
Less accumulated depreciation -				
Water system	1,612,603	10,178	-	1,622,781
Machinery and equipment	<u>184,661</u>	<u>73,358</u>	<u>-</u>	<u>258,019</u>
Total accumulated depreciation	<u>1,797,264</u>	<u>83,536</u>	<u>-</u>	<u>1,880,800</u>
Business-type activities, capital assets, net	<u>\$2,040,584</u>	<u>\$ 835,702</u>	<u>\$ -</u>	<u>\$2,876,286</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

Depreciation expense was charged to governmental activities as follows:

General government	\$ 15,090
Police	4,882
Fire	345
Public works	113
Recreation	<u>11,492</u>
Total depreciation expense	<u>\$ 31,922</u>

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

Water	<u>\$ 83,536</u>
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(5) Long-Term Liabilities

The following is a summary of long-term liability transactions of the Village:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount due in one year</u>
Business-type activities					
Water revenue bonds	<u>\$ 797,000</u>	<u>\$ -</u>	<u>\$ 28,000</u>	<u>\$ 769,000</u>	<u>\$ 29,000</u>

Bonds payable at December 31, 2017 were comprised of the following:

\$825,000 Water Revenue Refunding Bonds, Series 2016, due in annual installments of \$28,000 to \$59,000 through December 1, 2035; interest at 4.25%; secured by water utility fund revenues. \$ 769,000

Annual debt service requirement of bonds outstanding were as follows:

<u>Year Ended December 31,</u>	<u>Business-Type Activities</u>	
	<u>Principal payments</u>	<u>Interest payments</u>
2018	\$ 29,000	\$ 32,682
2019	31,000	31,450
2020	32,000	30,132
2021	33,000	28,772
2022	35,000	27,370
2023-2027	197,000	113,390
2028-2032	241,000	67,830
2033-2035	<u>171,000</u>	<u>14,706</u>
Total	<u>\$ 769,000</u>	<u>\$ 346,332</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

(6) Flow of Funds: Restriction on Use – Water Revenues

The revenues of the water system are partially pledged to retire the water bonds dated January 26, 2016. The bond resolution of the 2016 Issue of Bonds requires the establishment and maintenance of the following bank accounts.

Water System Fund  
Water Revenue Bond and Interest Sinking Fund  
Water Depreciation and Contingency Fund

The Water System Fund is to transfer on or before the 20<sup>th</sup> day of each month, a sum equal to five percent (5%) of the amount to be paid into the Sinking Fund until a sum equal to \$75,000 is on deposit. Should the sum on deposit in the contingency fund fall below \$75,000 at any time, then the monthly deposits set forth above will recommence until \$75,000 is on deposit.

The Water System Fund is to transfer to the Water Revenue Bond and Interest Sinking Fund on or before the 20<sup>th</sup> day of each month a sum of \$5,140 for the months January 2018, through November 2018; \$5,204 for the months December 2018 through November 2019; \$5,178 for the months December 2019 through November 2020; \$5,148 for the months December 2020 through November 2021; \$5,198 for the months December 2021 through November 2022; \$5,157 for the months December 2022 through November 2023; \$5,196 for the months December 2023 through November 2024; \$5,145 for the months December 2024 through November 2025; \$5,173 for the months December 2025 through November 2026; \$5,195 for the months December 2026 through November 2027; \$5,209 for the months December 2027 through November 2028 ;\$5,133 for the months December 2028 through November 2029; \$5,137 for the months December 2029 through November 2030; \$5,134 for the months December 2030 through November 2031; \$5,123 for the months December 2031 through November 2032; \$5,189 for the months December 2032 through November 2033; \$5,161 for the months December 2033 through November 2034; \$5,126 for the months December 2034 through November 2035.

For the year ended December 31, 2017, the Village made all transfers in accordance with the bond requirements.

(7) Sales and Use Tax

The proceeds of a 1% sales and use tax levied by the Village are dedicated to the following purposes:

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.

Collections for the year ended December 31, 2017 were \$36,672. Sales taxes receivable were \$2,551.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

(8) Interfund Transactions

- A. The Village of Plaquemine had no interfund receivables or payables at December 31, 2017.
- B. Transfers consisted of the following at December 31, 2017:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 76,162	\$ -
Enterprise Fund:		
Water Utility Fund	<u>-</u>	<u>76,162</u>
Total	<u>\$ 76,162</u>	<u>\$ 76,162</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.

(9) Compensation, Benefits and Other Payments to Mayor

A detail of compensation, benefits and other payments paid to Mayor Terryl St. Romain for the year ended December 31, 2017 is as follows:

<u>Mayor:</u>	<u>Term</u>	<u>Term Expiration</u>	<u>Purpose</u>	<u>Amount</u>	
	146 Gin Street.				
Terryl	Plaquemine, LA 71362				
St. Romain	(318) 922-3111	4	12/31/2020	Salary	\$3,598
				Benefits - payroll taxes	<u>275</u>
					<u>\$3,873</u>



VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

(10) Compensation Paid to Village Officials

A detail of compensation paid to the Board of Aldermen for the year ended December 31, 2017 follows:

<u>Aldermen:</u>		<u>Term</u>	<u>Term Expiration</u>	<u>Amount</u>
	146 Gin Street. Plaucheville, LA 71362			
Robbie Plauche	(318) 922-3111	4	12/31/2020	\$ 1,200
	146 Gin Street. Plaucheville, LA 71362			
Guy Lemoine	(318) 922-3111	4	12/31/2020	1,200
	146 Gin Street. Plaucheville, LA 71362			
Craig Gremillion	(318) 922-3111	4	12/31/2020	<u>1,200</u>
				<u>\$3,600</u>

(11) Litigation and Claims

At December 31, 2017, the Village was not involved in any lawsuits claiming damages that would not be adequately covered by liability insurance.

(12) 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.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

VILLAGE OF PLAUCHEVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 58,900	\$ 63,274	\$ 62,461	\$ (813)
Licenses and permits	25,000	21,352	22,483	1,131
Intergovernmental	8,700	11,491	12,865	1,374
Fines and forfeits	10,000	12,763	11,631	(1,132)
Miscellaneous	13,600	15,936	15,978	42
Total revenues	<u>116,200</u>	<u>124,816</u>	<u>125,418</u>	<u>602</u>
<b>Expenditures:</b>				
Current -				
General government:	70,500	66,530	62,775	3,755
Public safety:				
Police protection	106,200	93,912	86,406	7,506
Fire protection	6,300	5,376	5,959	(583)
Culture and recreation	10,500	10,515	10,121	394
Public works	1,000	5,748	1,597	4,151
Capital outlay	-	27,142	39,930	(12,788)
Total expenditures	<u>194,500</u>	<u>209,223</u>	<u>206,788</u>	<u>2,435</u>
Deficiency of revenues over expenditures	<u>(78,300)</u>	<u>(84,407)</u>	<u>(81,370)</u>	<u>3,037</u>
<b>Other financing sources:</b>				
Operating transfers in	<u>80,000</u>	<u>80,000</u>	<u>76,162</u>	<u>(3,838)</u>
Net change in fund balance	1,700	(4,407)	(5,208)	(801)
Fund balance, beginning	<u>104,666</u>	<u>104,666</u>	<u>104,666</u>	<u>-</u>
Fund balance, ending	<u>\$ 106,366</u>	<u>\$ 100,259</u>	<u>\$ 99,458</u>	<u>\$ (801)</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to the Required Supplementary Information  
For the Year Ended December 31, 2017

(1) Budget and Budgetary Accounting

The Village follows the following procedures in establishing the budget:

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. Anticipated changes from the prior year are taken into account and reflected in the projections.
3. Once adopted, the budget is made available for public inspection and a budget summary is published in the Village's designated official journal.
4. The Village does not formally integrate its budget as a management tool.
5. All budgetary appropriations lapse at the end of the fiscal year.
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 Board of Aldermen. Such amendments were not material in relation to the original appropriations.

**OTHER SUPPLEMENTARY INFORMATION**

VILLAGE OF PLAUCHEVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes:				
Property taxes	\$ 6,600	\$ 6,385	\$ 7,074	\$ 689
Sales	35,000	38,458	36,672	(1,786)
Franchise -				
Electric	10,000	11,084	11,149	65
Gas	2,000	3,149	3,507	358
Cable TV	4,300	4,078	3,939	(139)
Telephone	1,000	120	120	-
Total taxes	<u>58,900</u>	<u>63,274</u>	<u>62,461</u>	<u>(813)</u>
Licenses and permits:				
Occupational licenses	<u>25,000</u>	<u>21,352</u>	<u>22,483</u>	<u>1,131</u>
Intergovernmental:				
State of Louisiana -				
Beer taxes	1,500	1,341	765	(576)
State grants	-	3,100	10,000	6,900
State mowing agreement	1,200	1,050	2,100	1,050
Supplemental pay	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>
Total intergovernmental	<u>8,700</u>	<u>11,491</u>	<u>12,865</u>	<u>1,374</u>
Fines and forfeits:				
Fines and court costs	<u>10,000</u>	<u>12,763</u>	<u>11,631</u>	<u>(1,132)</u>
Miscellaneous:				
Interest	100	35	428	393
Hall rentals	10,000	12,100	11,275	(825)
Other sources	<u>3,500</u>	<u>3,801</u>	<u>4,275</u>	<u>474</u>
Total miscellaneous	<u>13,600</u>	<u>15,936</u>	<u>15,978</u>	<u>42</u>
Total revenues	<u>\$ 116,200</u>	<u>\$ 124,816</u>	<u>\$ 125,418</u>	<u>\$ 602</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Current:				
General government:				
Administrative -				
Mayor and council salaries	\$ 7,500	\$ 7,198	\$ 7,198	\$ -
Other salaries and wages	21,000	17,850	21,193	(3,343)
Insurance	11,000	7,000	7,601	(601)
Payroll taxes	3,000	1,920	2,172	(252)
Maintenance and supplies	2,500	7,038	3,594	3,444
Advertisements and publishing	2,000	1,290	1,560	(270)
Office supplies and postage	2,000	372	172	200
Professional fees	4,500	2,497	1,518	979
Miscellaneous	4,500	6,325	2,882	3,443
Utilities and telephone	10,500	13,840	13,555	285
Dues and subscriptions	1,000	200	775	(575)
Sales tax collection fee	1,000	1,000	555	445
Total administrative	<u>70,500</u>	<u>66,530</u>	<u>62,775</u>	<u>3,755</u>
Public safety:				
Police -				
Salaries	68,500	65,192	65,909	(717)
Payroll taxes	8,500	5,000	5,042	(42)
Supplemental pay	6,000	6,000	-	6,000
Gas, oil and repairs	5,000	1,213	1,113	100
Insurance	14,500	13,000	11,037	1,963
Miscellaneous	3,700	3,507	3,305	202
Total police department	<u>106,200</u>	<u>93,912</u>	<u>86,406</u>	<u>7,506</u>
Fire -				
Contract labor	1,800	1,800	1,800	-
Insurance	4,500	3,576	4,159	(583)
Total fire	<u>6,300</u>	<u>5,376</u>	<u>5,959</u>	<u>(583)</u>

(continued)

VILLAGE OF PLAUCHEVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (continued)  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Recreation:				
Cleaning and janitorial	8,000	6,509	6,384	125
Insurance	2,000	3,000	2,566	434
Repairs and maintenance	-	1,006	806	200
Miscellaneous	500	-	365	(365)
Total recreation	<u>10,500</u>	<u>10,515</u>	<u>10,121</u>	<u>394</u>
Public works:				
Insurance	-	-	201	(201)
Repairs and maintenance	1,000	5,748	1,396	4,352
Total public works	<u>1,000</u>	<u>5,748</u>	<u>1,597</u>	<u>4,151</u>
Capital outlay:				
General government	-	-	1,588	(1,588)
Public Safety:				
Police Protection	-	27,142	27,142	-
Recreation	-	-	6,700	(6,700)
Public works	-	-	4,500	(4,500)
Total capital outlay	<u>-</u>	<u>27,142</u>	<u>39,930</u>	<u>(12,788)</u>
Total expenditures	<u>\$ 194,500</u>	<u>\$ 209,223</u>	<u>\$ 206,788</u>	<u>\$ 2,435</u>



**INTERNAL CONTROL,  
COMPLIANCE AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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## 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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Plaquemine, Louisiana as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village of Plaquemine's basic financial statements and have issued our report thereon dated March 29, 2018.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Plaquemine'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 of Plaquemine's internal control. Accordingly, we do not express an opinion of the effectiveness of the Village of Plaquemine's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as items 2017-001 and 2017-002 to be significant deficiencies.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Plaquemine'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*.

## **Village of Plaquemine, Louisiana's Response to Findings**

The Village of Plaquemine'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 Village of Plaquemine'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, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
March 29, 2018

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2017

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2017-001 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: unknown

CONDITION: The Village of Plaquemine does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

CRITERIA: AU-C §265.A37 identifies the following as a deficiency in the design of (internal) controls:

“... in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.”

CAUSE: The cause of the condition is the result of a failure to design or implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Financial statements and related supporting transactions may reflect a material departure from generally accepted accounting principles.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Mr. Terryl St. Romain, Mayor 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 Village 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.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
And Management's Corrective Action Plan (Continued)  
Year Ended December 31, 2017

2017-002 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: unknown

CONDITION: The Village of Plaquemine did not have adequate segregation of functions within the accounting system.

CRITERIA: AU-C §315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is the fact that Village does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and, whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Village agree that a complete segregation of accounting functions would strengthen controls, but with limited current financial resources, we are not able to hire additional personnel at this time.

B. Compliance

There are no compliance findings

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
And Management's Corrective Action Plan (Continued)  
Year Ended December 31, 2017

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2016-001 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: The Village of Plaquemine does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Unresolved. See item 2017-001.

2016-002 Inadequate Segregation of Functions

CONDITION: The Village of Plaquemine did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See item 2017-002.

**VILLAGE OF PLAUCHEVILLE, LOUISIANA**

Agreed-Upon Procedures Report

Period Ended December 31, 2017

# KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Terryl St. Romain, Mayor  
And Members of the Board of Alderman  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Village of Plaucheville, Louisiana (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Entity's management is responsible for those C/C identified in the SAUPs.

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

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

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1. We obtained the entity's written policies and procedures and reported whether those written policies and procedures address each of the following financial/business functions (or reported that the entity does not have any written policies and procedures), as applicable:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **Receipts**, including receiving, recording, and preparing deposits.



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

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

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- 2. We obtained and reviewed the board/committee minutes for the fiscal period, and:
  - a) Reported whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Reported whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, reported whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, reported whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
  - c) Reported whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

### ***Bank Reconciliations***

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3. We obtained a listing of the entity's bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, we selected all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, we obtained bank statements and reconciliations for all months in the fiscal period and reported whether:
  - a) Bank reconciliations have been prepared;
  - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
  - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

### ***Collections***

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5. We obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, we selected all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:
  - a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and reported whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
  - b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and reported whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
  - c) We selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
    - Using entity collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and reported whether the deposits were made within one day of collection. If deposits were not made within one day of collection, reported the number of days from receipt to deposit for each day at each collection location.

- Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections are completely supported by documentation and report any exceptions.
7. We obtained existing written documentation (e.g. policy manual, written procedure) and reported whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

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

8. We obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sorted/filtered for entity disbursements. We obtained management’s representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, we randomly selected 25 disbursements (or randomly selected disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and reported whether the supporting documentation for each transaction demonstrated that:
  - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
  - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
  - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the person responsible for processing payments is prohibited from adding vendors to the entity’s purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. We inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and reported any exceptions. Alternately, if the checks are electronically printed on blank check stock, we reviewed entity documentation (electronic system control documentation) and reported whether the persons with signatory authority have system access to print checks.

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

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

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14. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
15. Using the listing prepared by management, we randomly selected 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

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

- a) We reported whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
  - b) We reported whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, we obtained supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
    - a) For each transaction, we reported whether the transaction is supported by:
      - An original itemized receipt (i.e., identifies precisely what was purchased)
      - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
      - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
    - b) For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and reported any exceptions.
    - c) For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).

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

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17. We obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, we obtained the general ledger and sorted/filtered for travel reimbursements. We obtained management's representation that the listing or general ledger is complete.
18. We obtained the entity's written policies related to travel and expense reimbursements. We compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and reported any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
  - a) We compared expense documentation to written policies and reported whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, we compared to the GSA rates (#18 above) and reported each reimbursement that exceeded those rates.
  - b) We reported whether each expense is supported by:
    - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
    - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
    - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).
  - c) We compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse).
  - d) We reported whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### ***Contracts***

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20. We obtained a listing of all contracts in effect during the fiscal period or, alternately, we obtained the general ledger and sorted/filtered for contract payments. We obtained management's representation that the listing or general ledger is complete.

21. Using the listing above, we selected the five contract “vendors” that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). We obtained the related contracts and paid invoices and:
- a) We reported whether there is a formal/written contract that supports the services arrangement and the amount paid.
  - b) We compared each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
    - If yes, we obtained/compared supporting contract documentation to legal requirements and reported whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).
    - If no, we obtained supporting contract documentation and reported whether the entity solicited quotes as a best practice.
  - c) We reported whether the contract was amended. If so, we reported the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
  - d) We selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and reported whether the invoice and related payment complied with the terms and conditions of the contract.
  - e) We obtained/reviewed contract documentation and board minutes and reported whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

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

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22. We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management’s representation that the listing is complete. Randomly select five employees/officials, obtained their personnel files, and:
- a) Reviewed compensation paid to each employee during the fiscal period and reported whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and reported whether those changes were approved in writing and in accordance with written policy.
23. We obtained attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, we randomly selected 25 employees/officials (or randomly selected one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) Reported whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

- b) Reported whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
  - c) Reported whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
24. We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, we selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. We reported whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
25. We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. We reported whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

***Ethics (excluding nonprofits)***

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26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management and reported whether the entity maintained documentation to demonstrate that required ethics training was completed.
27. We inquired of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, we reviewed documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. We reported whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

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

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28. If debt was issued during the fiscal period, we obtained supporting documentation from the entity, and reported whether State Bond Commission approval was obtained.
29. If the entity had outstanding debt during the fiscal period, we obtained supporting documentation from the entity and reported whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
30. If the entity had tax millages relating to debt service, we obtained supporting documentation and reported whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, we reported any millages that continue to be received for debt that has been paid off.

**Other**

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31. We inquired of management whether the entity had any misappropriations of public funds or assets. If so, we obtained/reviewed supporting documentation and reported whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. We observed and reported whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If we observed or otherwise identified any exceptions regarding management's representations in the procedures above, we reported the nature of each exception.

**Findings:**

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No exceptions were found as a result of applying the procedures listed above except:

**Written Policies:**

The Village of Plaquemine does not have written policies addressing budgeting.

The Village of Plaquemine does not have written policies addressing purchasing.

The Village of Plaquemine does not have written policies addressing disbursements.

The Village of Plaquemine does not have written policies addressing receipts.

The Village of Plaquemine does not have a written policy addressing payroll processing.

The Village of Plaquemine does not have a written policy addressing reviewing and approving timecards.

The Village of Plaquemine does not have written policies addressing contracting.

The Village of Plaquemine does not have written policies addressing credit cards.

The Village of Plaquemine does not have written policies addressing travel and expense reimbursements.

The Village of Plaquemine does not have written policies addressing ethics.

The Village of Plaquemine does not have written policies addressing debt service.

**Board:**

The Village of Plaquemine's minutes did not reference or include budget to actual comparisons for the General Fund.



**Bank Reconciliations:**

The Village of Plaquemine's bank reconciliations did not include evidence of management or board review.

For 2 of 5 applicable bank reconciliations, there was no evidence of management researching reconciling items outstanding for more than 6 months as of the end of the fiscal period.

**Collection:**

The person responsible for collecting cash is also responsible for depositing cash in the bank.

Cash reconciliations are not performed by someone independent of the collection process.

For 181 of 432 receipts tested, the date variance from collection to deposit was greater than one day.

For 1 of 432 receipts, tested, the date variance from collection to deposit was unable to be tested because there was no indication of the date received.

There is no written policy specifically defined to determine the completeness of all collections by a person who is not responsible for collections.

**Disbursements:**

The Village of Plaquemine does not have written documentation indicating that the person responsible for processing payments is prohibited from adding vendors to the disbursement system.

The Village of Plaquemine does not have written documentation indicating that the individual with signatory authority has no responsibility for initiating or recording purchases.

For 1 of 25 transactions tested, the purchase was not initiated using a requisition/PO system or equivalent electronic system. As a result, we were unable to determine: (1) if the purchase order or an electronic equivalent was approved by a person who did not initiate the purchase, and (2) that payment for the purchase was not processed without an approved requisition and/or purchase order, or electronic equivalent.

**Credit Cards:**

The monthly statement was obtained noting no evidence that the statement and all supporting documentation for purchases was reviewed and approved by someone other than the authorized card holder.

The transactions tested did not include documentation of the public purpose.

The Village of Plaquemine does not have a policy regarding credit cards; therefore, other documentation required by policy and compliance with policy were unable to be tested.

**Travel and Expense Reimbursements:**

The Village of Plaquemine does not have a written policy restricting the travel and expense reimbursement amount to that of the US General Services Administration.

The Village of Plaquemine does not have written policies addressing travel and expense reimbursements; therefore, compliance with policy was unable to be tested.

For 3 of 3 travel and expense reimbursements tested, payment was not supported by original itemized receipt.

For 3 of 3 travel and expense reimbursements tested, the transactions did not include documentation of the public purpose.

For 3 of 3 travel and expense reimbursements tested, the expense was not approved in writing by someone other than the person receiving the reimbursement.

**Payroll:**

For 5 of 5 employees tested, employment contracts or salary schedules were unable to be obtained for testing.

**Other:**

The Village of Plaquemine did not have the “fight fraud” sign posted on their premises.

**Management’s Response:**

Management of the Village of Plaquemine concurs with the exceptions and are working to address the deficiencies identified.

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

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

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

Alexandria, Louisiana  
March 29, 2018