

**CITY OF OPELOUSAS, LOUISIANA**

Financial Report

Year Ended August 31, 2022

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## INDEPENDENT AUDITOR'S REPORT

Victor R. Slaven, CPA\* - retired 2020  
Christine C. Doucet, CPA – retired 2022

\* A Professional Accounting Corporation

The Honorable Julius Alsandor, Mayor  
and Members of the City Council  
City of Opelousas, Louisiana

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Opelousas, Louisiana (City), as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of August 31, 2022, 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.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 56 - 62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. 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 City of Opelousas, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The accompanying combining statements, the justice system funding schedule, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, the justice system funding schedule, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2023, on our consideration of the City’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 solely 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 effectiveness of the City’s 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 City’s internal control over financial reporting and compliance.

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

Ville Platte, Louisiana  
February 22, 2023

## **BASIC FINANCIAL STATEMENTS**

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

CITY OF OPELOUSAS, LOUISIANA

Statement of Net Position  
August 31, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and interest-bearing deposits	\$ 5,314,801	\$ 348,823	\$ 5,663,624
Receivables, net	203,896	1,402,976	1,606,872
Internal balances	6,044,146	(6,044,146)	-
Due from other governmental units	838,645	135,830	974,475
Inventory	69,532	55,500	125,032
Prepaid items	24,149	6,248	30,397
Restricted assets:			
Cash and interest-bearing deposits	124,409	609,388	733,797
Investments	-	502,815	502,815
Capital assets:			
Land and construction in progress	4,570,599	2,901,617	7,472,216
Capital assets, net	14,844,228	17,846,349	32,690,577
Right to use lease assets, net	80,204	-	80,204
Total assets	<u>32,114,609</u>	<u>17,765,400</u>	<u>49,880,009</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	<u>6,444,737</u>	<u>386,772</u>	<u>6,831,509</u>
LIABILITIES			
Accounts payable and accrued expenses	2,746,813	600,762	3,347,575
Interest payable	21,290	-	21,290
Due to other governmental units	166,909	-	166,909
Claims payable	1,869,809	-	1,869,809
Customers' meter deposits	-	636,742	636,742
Taxes paid under protest	3,215	-	3,215
Advances from grantors	500,000	-	500,000
Long-term liabilities:			
Compensated absences payable	1,459,070	41,929	1,500,999
Bonds, notes, and leases due within one year	715,685	1,033,000	1,748,685
Bonds, notes, and leases due after one year	4,255,085	5,785,830	10,040,915
Net pension liability	<u>22,039,524</u>	<u>1,880,687</u>	<u>23,920,211</u>
Total liabilities	<u>33,777,400</u>	<u>9,978,950</u>	<u>43,756,350</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	<u>1,518,344</u>	<u>79,237</u>	<u>1,597,581</u>
NET POSITION			
Net investment in capital assets	14,524,069	20,818,702	35,342,771
Restricted for:			
Insurance claims	320,988	-	320,988
Sales tax dedications	1,654,874	-	1,654,874
Debt service	39,878	-	39,878
Grant provisions	500,000	271,872	771,872
Unrestricted	<u>(13,776,207)</u>	<u>(12,996,589)</u>	<u>(26,772,796)</u>
Total net position	<u>\$ 3,263,602</u>	<u>\$ 8,093,985</u>	<u>\$ 11,357,587</u>

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

CITY OF OPELOUSAS, LOUISIANA

Statement of Activities  
For the Year Ended August 31, 2022

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		Total
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 3,423,778	\$ -	\$ 3,140,418	\$ -	\$ (283,360)	\$ -	\$ (283,360)
Public safety	11,454,534	46,364	812,189	-	(10,595,981)	-	(10,595,981)
Public works	2,502,521	-	-	1,595,863	(906,658)	-	(906,658)
Health & welfare	493,515	213,066	-	-	(280,449)	-	(280,449)
Culture and recreation	1,556,609	168,872	1,500	-	(1,386,237)	-	(1,386,237)
Economic development	180,024	-	-	-	(180,024)	-	(180,024)
Insurance claims and costs	1,237,390	-	-	-	(1,237,390)	-	(1,237,390)
Interest and fees on debt	232,375	-	-	-	(232,375)	-	(232,375)
Total governmental activities	<u>21,080,746</u>	<u>428,302</u>	<u>3,954,107</u>	<u>1,595,863</u>	<u>(15,102,474)</u>	<u>-</u>	<u>(15,102,474)</u>
Business-type activities:							
Electric Light and Waterworks	3,748,980	5,847,440	-	990,695	-	3,089,155	3,089,155
Sewer	1,738,288	1,694,848	-	127,724	-	84,284	84,284
ORECD	29	-	-	-	-	(29)	(29)
Total business-type activities	<u>5,487,297</u>	<u>7,542,288</u>	<u>-</u>	<u>1,118,419</u>	<u>-</u>	<u>3,173,410</u>	<u>3,173,410</u>
Total	<u>\$ 26,568,043</u>	<u>\$ 7,970,590</u>	<u>\$ 3,954,107</u>	<u>\$ 2,714,282</u>	<u>\$ (15,102,474)</u>	<u>\$ 3,173,410</u>	<u>\$ (11,929,064)</u>
General revenues:							
Taxes -							
Ad valorem taxes, levied for general purposes					1,094,533	-	1,094,533
Sales and use taxes, levied for general purposes					11,637,833	-	11,637,833
Franchise taxes					1,240,892	-	1,240,892
Hotel/motel taxes					195,498	-	195,498
Interest and investment earnings					35,599	15,278	50,877
Occupational licenses and other permits					936,834	-	936,834
Racino income					134,954	-	134,954
Video poker revenue					52,922	-	52,922
State beer tax					33,060	-	33,060
Nonemployer pension contribution					585,211	26,230	611,441
Miscellaneous					336,702	11,827	348,529
Transfers					4,278,546	(4,278,546)	-
Total general revenues and transfers					<u>20,562,584</u>	<u>(4,225,211)</u>	<u>16,337,373</u>
Change in net position					5,460,110	(1,051,801)	4,408,309
Net position - beginning					(2,196,508)	9,145,786	6,949,278
Net position - ending					<u>\$ 3,263,602</u>	<u>\$ 8,093,985</u>	<u>\$ 11,357,587</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

CITY OF OPELOUSAS, LOUISIANA

Balance Sheet  
Governmental Funds  
August 31, 2022

	General	Sales Tax Special Revenue	Other Governmental	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,361,112	\$ 955,073	\$ 62,333	\$ 4,378,518
Receivables	203,896	-	-	203,896
Due from other funds	6,254,653	700,000	20,627	6,975,280
Due from other governmental units	838,645	-	-	838,645
Inventory	69,532	-	-	69,532
Prepaid expense	3,124	-	-	3,124
Restricted assets:				
Interest-bearing deposits	<u>124,409</u>	<u>-</u>	<u>-</u>	<u>124,409</u>
Total assets	<u>\$ 10,855,371</u>	<u>\$ 1,655,073</u>	<u>\$ 82,960</u>	<u>\$ 12,593,404</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 1,774,783	\$ 199	\$ -	\$ 1,774,982
Contracts and retainage payable	795,880	-	-	795,880
Advances from grantors	500,000	-	-	500,000
Taxes paid under protest	3,215	-	-	3,215
Due to other funds	685,034	-	5	685,039
Due to other governmental units	166,909	-	-	166,909
Total liabilities	<u>3,925,821</u>	<u>199</u>	<u>5</u>	<u>3,926,025</u>
Deferred inflows of resources:				
Unavailable revenue	<u>67,184</u>	<u>-</u>	<u>-</u>	<u>67,184</u>
Fund balances:				
Nonspendable	72,656	-	-	72,656
Restricted - debt service	-	-	39,878	39,878
Restricted - sales tax dedications	-	1,654,874	-	1,654,874
Restricted - grant provisions	500,000	-	-	500,000
Committed	2,379,334	-	-	2,379,334
Assigned - capital expenditures	-	-	289	289
Assigned - health and welfare	-	-	11,481	11,481
Assigned - public safety	-	-	31,307	31,307
Unassigned	<u>3,910,376</u>	<u>-</u>	<u>-</u>	<u>3,910,376</u>
Total fund balances	<u>6,862,366</u>	<u>1,654,874</u>	<u>82,955</u>	<u>8,600,195</u>
Total liabilities and fund balances	<u>\$ 10,855,371</u>	<u>\$ 1,655,073</u>	<u>\$ 82,960</u>	<u>\$ 12,593,404</u>

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

CITY OF OPELOUSAS, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
August 31, 2022

Total fund balances for governmental funds at August 31, 2022		\$ 8,600,195
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Construction in progress	\$ 2,734,070	
Land	1,836,529	
Buildings, net of \$4,971,272 accumulated depreciation	3,973,229	
Improvements other than buildings, net of \$12,584,918 accumulated depreciation	6,537,342	
Equipment and machinery, net of \$5,748,854 accumulated depreciation	<u>4,333,657</u>	19,414,827
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Right to use assets, net of \$1,359 accumulated amortization		80,204
The deferred outflows of contributions to retirement systems are not a use of current resources, and therefore, are not reported in the funds.		
		6,444,737
Some liabilities are not due and payable from current financial resources and are, therefore not reported in the funds. These liabilities consist of the following:		
Notes payable	(2,699,758)	
Operating lease payable	(80,012)	
Bonds payable	(2,191,000)	
Compensated absences	(1,459,070)	
Interest payable	(21,290)	
Net pension liability	<u>(22,039,524)</u>	(28,490,654)
The deferred inflows of contributions to the retirement systems are not payable from available resources and, therefore, are not reported in the funds.		
		(1,518,344)
Some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as deferred inflows at the fund level.		
Unavailable revenue - delinquent ad valorem taxes		67,184
Net position of the group self-insurance internal service funds		<u>(1,334,547)</u>
Total net position of governmental activities at August 31, 2022		<u>\$ 3,263,602</u>

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

CITY OF OPELOUSAS, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
For the Year Ended August 31, 2022

	General	Sales Tax Special Revenue	Other Governmental	Total
<b>Revenues:</b>				
Taxes	\$ 2,536,425	\$ 11,637,833	\$ -	\$ 14,174,258
Licenses and permits	936,834	-	-	936,834
Intergovernmental	5,851,445	-	1,358	5,852,803
Charges for services	285,514	-	-	285,514
Fines and forfeits	29,907	-	-	29,907
Investment earnings	30,970	2,738	339	34,047
Other	361,317	-	-	361,317
Total revenues	<u>10,032,412</u>	<u>11,640,571</u>	<u>1,697</u>	<u>21,674,680</u>
<b>Expenditures:</b>				
Current -				
General government	2,974,296	357,086	-	3,331,382
Public safety	10,390,923	-	3,173	10,394,096
Public works	1,856,375	-	-	1,856,375
Health and welfare	500,059	-	-	500,059
Culture and recreation	1,500,214	-	-	1,500,214
Economic development	180,843	-	-	180,843
Capital outlay	3,332,369	-	-	3,332,369
Debt service -				
Principal retirement	770,802	-	-	770,802
Interest and fiscal charges	231,859	-	-	231,859
Total expenditures	<u>21,737,740</u>	<u>357,086</u>	<u>3,173</u>	<u>22,097,999</u>
Excess (deficiency) of revenues over expenditures	<u>(11,705,328)</u>	<u>11,283,485</u>	<u>(1,476)</u>	<u>(423,319)</u>
<b>Other financing sources (uses):</b>				
Proceeds from leases	215,958	-	-	215,958
Sale of capital assets	7,986	-	-	7,986
Transfers in	19,240,706	-	1	19,240,707
Transfers out	<u>(5,437,063)</u>	<u>(11,701,609)</u>	<u>-</u>	<u>(17,138,672)</u>
Total other financing sources (uses)	<u>14,027,587</u>	<u>(11,701,609)</u>	<u>1</u>	<u>2,325,979</u>
Net changes in fund balances	2,322,259	(418,124)	(1,475)	1,902,660
Fund balances, beginning	<u>4,540,107</u>	<u>2,072,998</u>	<u>84,430</u>	<u>6,697,535</u>
Fund balances, ending	<u>\$ 6,862,366</u>	<u>\$ 1,654,874</u>	<u>\$ 82,955</u>	<u>\$ 8,600,195</u>

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

CITY OF OPELOUSAS, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended August 31, 2022

Total net changes in fund balances for the year ended August 31, 2022 per the  
statement of revenues, expenditures and changes in fund balances \$1,902,660

The change in net position reported for governmental activities in the  
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on the statement of revenues, expenditures, and changes in fund balances	\$ 3,217,775	
Depreciation expense	<u>(1,130,391)</u>	2,087,384

Right to use asset capital outlay which is considered expenditures on the statement of revenues, expenditures, and changes in fund balances	81,563	
Amortization expense	<u>(1,359)</u>	80,204

The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of the principal of long-term  
debt consumes the current financial resources of governmental funds.  
Neither transaction, however, has any effect on net position. Also,  
governmental funds report the effect of premiums, discounts, and  
similar items when debt is first issued, whereas these amounts are  
amortized in the statement of activities over multiple periods.

Proceeds from issuance of debt received	(215,958)	
Repayment of long-term debt	<u>770,802</u>	554,844

Some long-term liabilities are not recognized at the fund level because  
they do not represent a claim on current financial resources. Expenses  
at the government-wide level are recognized when these liabilities are  
incurred, while expenditures are recognized at the fund level when  
cash payments are made. The amounts below represent the  
difference between the expenses incurred at the government-wide  
level and the current financial resources expended at the fund level.

Compensated absences	(125,909)	
Interest payable	(516)	
Net pension liability	<u>27,889</u>	(98,536)

Some of the City's revenues will be collected after year-end, but are  
not available soon enough to pay for the current period's expenditures,  
and therefore, are reported as deferred inflows of resources at the  
fund level.

Net change in unavailable revenues - delinquent ad valorem taxes		(7,119)
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The net results of current year operations of internal service funds		<u>940,673</u>
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Total changes in net position for the year ended August 31, 2022 per the Statement of Activities		<u>\$5,460,110</u>
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The accompanying notes are an integral part of the basic financial statements.

CITY OF OPELOUSAS, LOUISIANA

Statement of Net Position - Proprietary Funds  
August 31, 2022

	Business -Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric Light and Waterworks	Sewer	Other Enterprise Funds	Total Enterprise Funds	
<b>ASSETS</b>					
Current assets:					
Cash and interest-bearing deposits	\$ 135,747	\$ -	\$ 213,076	\$ 348,823	\$ 936,283
Receivables, net					
Customers	521,093	610,004	-	1,131,097	-
Notes	-	-	58,796	58,796	-
Other	213,083	-	-	213,083	-
Due from other governmental units	-	135,830	-	135,830	-
Due from other funds	1,101,620	50,420	-	1,152,040	588,631
Inventories	55,070	430	-	55,500	-
Prepaid items	3,124	3,124	-	6,248	21,025
Total current assets	<u>2,029,737</u>	<u>799,808</u>	<u>271,872</u>	<u>3,101,417</u>	<u>1,545,939</u>
Noncurrent assets:					
Restricted assets -					
Cash and interest-bearing deposits	609,388	-	-	609,388	-
Investments	502,815	-	-	502,815	-
Capital assets, net of accumulated depreciation	<u>10,201,120</u>	<u>10,546,846</u>	<u>-</u>	<u>20,747,966</u>	<u>-</u>
Total noncurrent assets	<u>11,313,323</u>	<u>10,546,846</u>	<u>-</u>	<u>21,860,169</u>	<u>-</u>
Total assets	<u>13,343,060</u>	<u>11,346,654</u>	<u>271,872</u>	<u>24,961,586</u>	<u>1,545,939</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources related to pensions	<u>274,088</u>	<u>112,684</u>	<u>-</u>	<u>386,772</u>	<u>-</u>
<b>LIABILITIES</b>					
Current liabilities (payable from current assets):					
Accounts payable	374,446	226,316	-	600,762	175,951
Claims payable	-	-	-	-	1,869,809
Due to other funds	<u>1,432,958</u>	<u>5,763,228</u>	<u>-</u>	<u>7,196,186</u>	<u>834,726</u>
Total	<u>1,807,404</u>	<u>5,989,544</u>	<u>-</u>	<u>7,796,948</u>	<u>2,880,486</u>
Current liabilities (payable from restricted assets):					
Revenue bonds payable	1,033,000	-	-	1,033,000	-
Customers' meter deposits	<u>636,742</u>	<u>-</u>	<u>-</u>	<u>636,742</u>	<u>-</u>
Total	<u>1,669,742</u>	<u>-</u>	<u>-</u>	<u>1,669,742</u>	<u>-</u>
Total current liabilities	<u>3,477,146</u>	<u>5,989,544</u>	<u>-</u>	<u>9,466,690</u>	<u>2,880,486</u>
Noncurrent liabilities:					
Revenue bonds payable	5,650,000	135,830	-	5,785,830	-
Net pension liability	1,425,148	455,539	-	1,880,687	-
Compensated absences	<u>23,131</u>	<u>18,798</u>	<u>-</u>	<u>41,929</u>	<u>-</u>
Total noncurrent liabilities	<u>7,098,279</u>	<u>610,167</u>	<u>-</u>	<u>7,708,446</u>	<u>-</u>
Total liabilities	<u>10,575,425</u>	<u>6,599,711</u>	<u>-</u>	<u>17,175,136</u>	<u>2,880,486</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources related to pensions	<u>59,503</u>	<u>19,734</u>	<u>-</u>	<u>79,237</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	10,407,686	10,411,016	-	20,818,702	-
Restricted for:					
Insurance claims	-	-	-	-	320,988
Grant provisions	-	-	271,872	271,872	-
Unrestricted	<u>(7,425,466)</u>	<u>(5,571,123)</u>	<u>-</u>	<u>(12,996,589)</u>	<u>(1,655,535)</u>
Total net position	<u>\$ 2,982,220</u>	<u>\$ 4,839,893</u>	<u>\$ 271,872</u>	<u>\$ 8,093,985</u>	<u>\$ (1,334,547)</u>

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

CITY OF OPELOUSAS, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position  
 Proprietary Funds  
 For the Year Ended August 31, 2022

	Business -Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric Light and Waterworks	Sewer	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues:					
Charges for services					
Utilities	\$ 5,494,669	\$ 1,643,110	\$ -	\$ 7,137,779	\$ -
Interest	-	-	1,168	1,168	-
Premiums	-	-	-	-	2,862,605
Other	13,524	51,738	-	65,262	210,846
Total operating revenues	<u>5,508,193</u>	<u>1,694,848</u>	<u>1,168</u>	<u>7,204,209</u>	<u>3,073,451</u>
Operating expenses:					
Personal services	791,753	326,147	-	1,117,900	-
Supplies and materials	423,230	68,848	29	492,107	-
Other services and charges	1,291,280	600,116	-	1,891,396	4,310,841
Repairs and maintenance	240,517	260,406	-	500,923	-
Depreciation	769,083	482,771	-	1,251,854	-
Total operating expenses	<u>3,515,863</u>	<u>1,738,288</u>	<u>29</u>	<u>5,254,180</u>	<u>4,310,841</u>
Operating income (loss)	<u>1,992,330</u>	<u>(43,440)</u>	<u>1,139</u>	<u>1,950,029</u>	<u>(1,237,390)</u>
Nonoperating revenues (expenses):					
Investment income	14,110	-	-	14,110	1,552
Cleco surcharge	339,247	-	-	339,247	-
Miscellaneous	11,827	-	-	11,827	-
Nonemployer pension contribution	19,188	7,042	-	26,230	-
Interest and fiscal charges	(233,117)	-	-	(233,117)	-
Total nonoperating revenues (expenses)	<u>151,255</u>	<u>7,042</u>	<u>-</u>	<u>158,297</u>	<u>1,552</u>
Income (loss) before contributions and transfers	2,143,585	(36,398)	1,139	2,108,326	(1,235,838)
Capital contributions	<u>990,695</u>	<u>127,724</u>	<u>-</u>	<u>1,118,419</u>	<u>-</u>
Income (loss) before transfers	<u>3,134,280</u>	<u>91,326</u>	<u>1,139</u>	<u>3,226,745</u>	<u>(1,235,838)</u>
Operating transfers in (out)					
Transfers in	1,988,118	275,000	-	2,263,118	2,258,932
Transfers out	(4,835,230)	(1,706,434)	-	(6,541,664)	(82,421)
Total operating transfers in (out)	<u>(2,847,112)</u>	<u>(1,431,434)</u>	<u>-</u>	<u>(4,278,546)</u>	<u>2,176,511</u>
Change in net position	287,168	(1,340,108)	1,139	(1,051,801)	940,673
Net position, beginning	<u>2,695,052</u>	<u>6,180,001</u>	<u>270,733</u>	<u>9,145,786</u>	<u>(2,275,220)</u>
Net position, ending	<u>\$ 2,982,220</u>	<u>\$ 4,839,893</u>	<u>\$ 271,872</u>	<u>\$ 8,093,985</u>	<u>\$ (1,334,547)</u>

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

CITY OF OPELOUSAS, LOUISIANA

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended August 31, 2022

	Business -Type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Electric Light and Waterworks	Sewer	Other Enterprise Funds		
Cash flows from operating activities:					
Cash received from customers	\$ 5,611,232	\$ 1,725,893	\$ 1,168	\$ 7,338,293	\$ 2,863,669
Other receipts	-	-	-	-	210,846
General and administrative expenses paid	-	-	-	-	(97,562)
Cash payments to suppliers for goods and services	(2,033,461)	(971,825)	(29)	(3,005,315)	(2,436,525)
Insurance paid	-	-	-	-	(1,359,046)
Cash payments to employees for services	(843,001)	(325,611)	-	(1,168,612)	-
Net cash provided (used) by operating activities	<u>2,734,770</u>	<u>428,457</u>	<u>1,139</u>	<u>3,164,366</u>	<u>(818,618)</u>
Cash flows from noncapital financial activities:					
Cash received from other funds	2,723,837	275,000	-	2,998,837	709,793
Cash paid to other funds	(4,833,352)	(400,398)	(3)	(5,233,753)	-
Surcharge and other	353,401	-	-	353,401	-
Net cash provided (used) by noncapital financing activities	<u>(1,756,114)</u>	<u>(125,398)</u>	<u>(3)</u>	<u>(1,881,515)</u>	<u>709,793</u>
Cash flows from capital and related financing activities:					
Net purchase of fixed assets	(2,046,725)	(430,783)	-	(2,477,508)	-
Net principal on revenue bonds paid	(1,003,000)	(127,724)	-	(1,130,724)	-
Proceeds from grants	990,695	255,448	-	1,246,143	-
Interest on revenue bonds paid	(233,117)	-	-	(233,117)	-
Net cash used by capital and related financing activities	<u>(2,292,147)</u>	<u>(303,059)</u>	<u>-</u>	<u>(2,595,206)</u>	<u>-</u>
Cash flows from investing activities					
Purchase of investments	(2,770)	-	-	(2,770)	-
Interest on investments	14,110	-	-	14,110	1,552
Net cash provided by investing activities	<u>11,340</u>	<u>-</u>	<u>-</u>	<u>11,340</u>	<u>1,552</u>
Net increase (decrease) in cash and cash equivalents	(1,302,151)	-	1,136	(1,301,015)	(107,273)
Cash and cash equivalents, beginning of period	<u>2,047,286</u>	<u>-</u>	<u>211,940</u>	<u>2,259,226</u>	<u>1,043,556</u>
Cash and cash equivalents, end of period	<u>\$ 745,135</u>	<u>\$ -</u>	<u>\$ 213,076</u>	<u>\$ 958,211</u>	<u>\$ 936,283</u>

(continued)

CITY OF OPELOUSAS, LOUISIANA

Statement of Cash Flows  
 Proprietary Funds (Continued)  
 For the Year Ended August 31, 2022

	Business -Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric Light and Waterworks	Sewer	Other Enterprise Funds	Total Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 1,992,330	\$ (43,440)	\$ 1,139	\$ 1,950,029	\$ (1,237,390)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	769,083	482,771	-	1,251,854	-
Pension expense	(51,248)	536	-	(50,712)	-
Change in assets and liabilities:					
Decrease in accounts receivable	98,308	31,045	-	129,353	1,064
Decrease in inventory	1,949	-	-	1,949	-
Increase (decrease) in accounts payable	(17,322)	(42,455)	-	(59,777)	127,543
Decrease in construction payable	(63,061)	-	-	(63,061)	-
Increase in claims payable	-	-	-	-	293,739
Increase in customers' meter deposits	4,731	-	-	4,731	-
Net cash provided (used) by operating activities	<u>\$ 2,734,770</u>	<u>\$ 428,457</u>	<u>\$ 1,139</u>	<u>\$ 3,164,366</u>	<u>\$ (818,618)</u>

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

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Basic Financial Statements

#### (1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Opelousas, Louisiana (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (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 subsequent subsections of this note.

##### A. Financial Reporting Entity

The City of Opelousas, Louisiana, was incorporated under the provisions of the Lawrason Act and operates under the Mayor-City Council form of government.

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

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, "Defining the Financial Reporting Entity" establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government's government authority (Mayor and City Council) appoints a majority of board members of the potential component unit and is able to impose its will on the potential component unit or whether the potential component unit is fiscally dependent on the primary government.
3. Financial benefit/burden relationship between the primary government and the potential component unit.
4. The nature and significance of the relationship between the potential component unit with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

The City is a primary government and has no component units. The accompanying financial statements present information only on the funds maintained by the City 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 City as an economic unit. The government-wide financial statements report the City'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. Fiduciary funds are omitted from the government-wide financial statements. The City has no fiduciary funds.

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

Fund Financial Statements

The accounts of the City are organized and operated 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. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund financial statements report detailed information about the City. The various funds of the City are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major funds, each displayed in a separate column.

Major funds are determined as funds whose revenues, expenditure/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 City. Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements. The City uses the following funds, grouped by fund type.

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Governmental Funds -

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balance of the City'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 City. It is used to account for all financial resources except those required to be accounted for in another fund.

#### Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of government grants or other specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects of the City. The following is the City's major special revenue fund:

The Sales Tax Special Revenue Fund is used to account for the proceeds of two separate one percent sales taxes and 0.2 percent sales tax that are legally restricted to expenditures for specific purposes.

#### Capital Projects Funds

Capital Projects Funds are used to report resources that are restricted, committed, or assigned to expenditures for major capital acquisition and construction separately from ongoing operational activities. The City has no major capital projects funds.

#### Debt Service Funds

Debt Service Funds are used to account for and report resources that are restricted, committed, or assigned to expenditures for principal and interest. The City has no major debt service funds.

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and nonmajor funds aggregated. A reconciliation is presented to summarize the differences in fund balances of the governmental fund financial statements and the net position of the governmental activities in the government-wide financial statements.

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Proprietary Funds –

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

#### Enterprise Funds

Enterprise funds are proprietary funds that are used to report activities for which a fee is charged to external users. These funds account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the government 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 City's major enterprise funds are as follows:

The Electric Light and Waterworks Fund accounts for the provision of electricity and water services to residents of the City of Opelousas, Louisiana. All activities necessary to provide such services are accounted for in this fund, including but not limited to, operations, construction, administration, maintenance, financing and related debt service, and billing and collection.

The Sewer Fund accounts for the provision of sewer services to residents of the City of Opelousas, Louisiana. All activities necessary to provide such services are accounted for in this fund, including but not limited to, operations, construction, administration, maintenance, financing and related debt service, and billing and collection.

#### Internal Service Funds

Internal service funds are used to report activities which provide goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. The City includes services such as insurance benefits in these funds. All of the internal service funds' net position and activities are combined with the governmental activities in the government-wide financial statements. The City's internal services funds are the Internal Service Fund A, Internal Service Fund G, Workmen's Compensation Fund, and Health Self-Insurance Fund.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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. This 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 City 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 City considers reimbursement amounts received within one year as available. The City 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 expenditures 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 City. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the City 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.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

Cash, interest-bearing deposits, and investments

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City. Under state law, the City 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 of America. The City may invest in certificates and time deposits of state banks organized under Louisiana laws and national banks having principal offices in Louisiana.

Additionally, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at fair value.

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

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes, franchise taxes, police fines, fees and rental payments. Business-type activities report customer's utility service receivables as the major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectible customers' utility receivables and uncollectible loans receivable was \$430,973 at August 31, 2022. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans are reported as "advances to and from 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.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Inventory

Inventory is valued at cost and is recognized as an expenditure under the consumption method. Under this method, inventories are recorded as expenditures when they are used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond August 31, 2022 are recorded as prepaid items.

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or fund 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 acquisition value at the date of donation. The City maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2001, 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 and improvements	20-60 years
Furniture and equipment	5-15 years
Vehicles	3-15 years
Water system	20-50 years
Sewerage system	20-50 years
Meters	10-20 years

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Basic Financial Statements (Continued)

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 as in the government-wide statements.

#### Right to use assets

The City has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

#### Leases

The City routinely leases equipment to meet operational needs or serve the general public. For short-term leases with a maximum possible term of 12 months or less at commencement, the City recognizes periodic expense based on the provisions of the lease agreement. For agreements subject to GASB Statement No. 87, *Leases*, where the City is the lessee, the City recognizes a lease liability and an intangible right-to-use lease asset based on the present value of future lease payments over the term of the lease. Lease assets are reported with capital assets, and lease liabilities are reported as long-term debt in the government-wide statement of net position. Lease assets are amortized as described above, and lease liabilities are reduced by the principal portion of lease payments made.

For agreements subject to GASB 87, the City established a lease reporting minimum threshold of \$75,000. The City uses its estimated incremental borrowing rate as the discount rate for leases unless the rate is explicitly stated in a lease. The lease term includes the noncancellable period of the lease plus periods covered by options that are determined to be reasonably certain to be exercised. Lease payments included in the measurement of the lease liability are comprised of fixed and fixed-in-substance payments, payments reasonably certain of being required, and the price of options reasonably certain to be exercised. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the commencement of the lease term, including incentives received, plus applicable initial direct costs. If amendments or other certain circumstances occur that are expected to significantly affect the amount of a lease, the present value is remeasured, and corresponding adjustments made.

#### Long-term debt

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

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Basic Financial Statements (Continued)

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

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. For government-wide and fund reporting, issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures in the year of issuance. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

#### Compensated Absences

The City allows employees to accumulate a maximum of one-third of vacation earned during a calendar year. Unused vacation in excess of one-third shall be automatically added to the employee's sick leave account. Employees are also allowed to accumulate all of the sick leave they earn during a calendar year. Upon termination or retirement, an employee shall be paid all of his accumulated vacation pay. Upon regular or disability retirement, employees shall be paid, or his beneficiary shall be paid upon employee's death, an amount equal to one-fourth day for each accumulated sick leave day at the regular hourly rate of pay not to exceed one hundred eighty days.

The employees of the Police Department have 365 days of sick leave a year. Each of these employees earns 144 hours of vacation each year. After ten years of service, field workers get an additional 12 hours each year and office personnel get an additional 8 hours each year not to exceed 240 hours.

The employees of the Fire Department have 365 days of sick leave a year. Each of these employees earns 216 hours of vacation leave per year. After ten years of service these employees get an additional 24 hours each year not to exceed 240 hours. Employees who do not take any sick leave earn an additional 24 hours of vacation leave. Also, employees who do not have any injuries on the job during the year earn an additional 24 hours of vacation leave. Therefore, the maximum vacation an employee can earn is 360 hours. A maximum of one-third of unused vacation shall be accumulated per year.

In the fund financial statements, vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current fund liability of the governmental fund that will pay it. In the government-wide statements, amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are recorded as long-term debt.

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Unearned Revenues

The City is the recipient of grants from various government agencies. In some instances, the grants are advance funded. The City records these grants as Advances from Grantors until the funds are expended in accordance with the grant terms.

#### Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense (See Note 14), have been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Member's earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized as revenue in the government-wide financial statements. In the governmental fund financial statements contributions are recognized as expenditures when made.

#### 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 represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category, the deferred outflow of resources attributable to its pension plans.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category in the government-wide statement of net position, the deferred inflow of resources attributable to its pension plans. The City also reported deferred inflows of resources related to unavailable revenue in the General Fund at August 31, 2022.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 external groups, such as creditors, grantors, contributors, laws or regulations of other governments; or law through constitutional provisions or enabling legislation. It is the City'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. At August 31, 2022, the City reported \$2,787,612 of restricted net position, of which \$1,654,874 was restricted by enabling legislation.
- c. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

In the fund statements, governmental fund equity is classified as fund balance. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the City 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 City's nonspendable fund balance includes inventory and prepaid items.
- b. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, contributors or amounts constrained due to constitutional provisions or enabling legislation or the laws or regulations of other governments.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

- c. Committed includes fund balance amounts that can be used only for specific purposes that are internally imposed by the City through formal legislative action of the Mayor and City Council and does not lapse at year end. A committed fund balance constraint can only be established, modified or rescinded by passage of an Ordinance (Law) by the Mayor and City Council.
- d. Assigned includes fund balance amounts that are constrained by the City'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 City Clerk and approval of a Resolution by the Mayor and City Council.
- e. Unassigned includes fund balance amounts which have not been classified within the above-mentioned categories.

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

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

E. Revenues, Expenditures, and Expenses

Revenues

The City 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 City generally defines the availability period for revenue recognition as received within sixty (60) days of year end. The City's major revenue sources that meet this availability criterion are intergovernmental revenues, franchise fees, tax revenue, and charges for services.

There are three classifications of programmatic revenues for the City, program specific grant and contribution revenue (operating and capital) and charges for services. 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. Charges for services are revenues derived directly from the program itself or from parties outside the City's taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from the City's general revenues. The primary sources of program revenues are fees, fines, and charges paid by recipients of goods and 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 City's utility system.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 expense 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

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

Interfund Transfers

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

F. Revenue Restrictions

The City 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 4
Gas, water and sewer revenue	Debt service and utility operations

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

G. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and expenses during the reported period. Actual results could differ from those estimates.

(2) Deficit Net Position

The Internal Service Fund G Fund had a deficit unrestricted net position at August 31, 2022 of \$2,152,687. This deficit will be eliminated by increasing revenues and/or reducing expenditures as well as transfers from other funds.

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1<sup>st</sup> of each year. Taxes are levied by the City in November and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1<sup>st</sup> of the following year. The City bills and collects its own property taxes using the assessed values determined by the Tax Assessor of St. Landry Parish. City property tax revenues are budgeted in the year billed.

For the year ended August 31, 2022, taxes of 7.13 mills were levied on property with assessed valuations totaling \$146,842,870 for general purposes. Total taxes levied were \$1,046,994. Taxes receivable at August 31, 2022 totaled \$33,275.

(4) Sales and Use Tax

A. Proceeds of the 1% sales and use tax levied by authority of a special election held on November 26, 1966 (2022 collections \$5,289,919) are dedicated to the following purposes:

Construction and improving drainage works; purchasing, constructing, and improving public parks and recreational facilities, and acquiring necessary equipment and furnishings therefore; acquiring, constructing, improving, and operating a public library and acquiring the necessary land, equipment, and furnishings therefore; acquiring and constructing waterworks improvements and extensions; opening, constructing, paving, and improving streets and bridges; constructing and purchasing street lighting facilities and acquiring and establishing an industrial park, title to all of which shall be public. Defraying the cost of maintaining sewerage facilities. Providing additional funds not to exceed \$40,000 dollars annually for the payment of salaries for municipal employees.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

- B. Proceeds of the 1% sales and use tax was initially levied by authority of a special election held on April 5, 1975, and was extended through May 31, 2025 (2022 collections \$5,289,919) are dedicated to the following purposes:

To constructing, acquiring, improving and/or maintaining of garbage, waste disposal facilities, and waterworks facilities; to constructing, acquiring, improving and/or maintaining police department stations and facilities, and fire department stations and facilities; to constructing, acquiring, improving, extending and/or maintaining sewers and sewerage disposal works, streets, sidewalks, and bridges; and purchasing and acquiring the necessary land, equipment, and furnishing for any of the aforesaid public works, improvements and facilities, including salaries of employees.

- C. Proceeds of the 0.2% sales and use tax levied by authority of a special election held on October 3, 1993 (2022 collections \$1,057,995) are dedicated for construction, acquiring, and improving fire, police and street facilities.

(5) Cash, Interest-Bearing Deposits

Under state law, the City 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 City may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At August 31, 2022, the City had cash and interest-bearing deposits (book balances) totaling \$6,397,421.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered, or the City will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at August 31, 2022, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 6,462,420</u>
Federal deposit insurance	\$ 503,005
Pledged securities	<u>5,959,415</u>
Total	<u>\$ 6,462,420</u>

Deposits in the amount of \$5,959,415 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. The City does not have a policy for custodial credit risk.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Investments

The City participates in Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local governmental entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

Accounting standards require disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with accounting standards. The following facts are relevant for investments pools:

- Credit risk: LAMP has a fund rating of AAAM issued by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: LAMP's pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.
- Foreign currency risk: Not applicable.

The investment in LAMP totaling \$502,815 is stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(7) Restricted Assets

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance and flow of monies through various restricted accounts, minimum accounts to be maintained in various sinking funds, and minimum revenue bond coverage. A summary of restricted assets by fund as of August 31, 2022 consist of the following:

	<u>General Fund</u>	<u>Electric Light and Waterworks Fund</u>	<u>Total</u>
Bond depreciation & contingency accounts	\$ -	\$ 206,566	\$ 206,566
Bond sinking accounts	-	4,071	4,071
Bond reserve accounts	121,194	814,276	935,470
Customers' deposits	-	87,290	87,290
Ad valorem taxes paid in protest	<u>3,215</u>	<u>-</u>	<u>3,215</u>
	<u>\$ 124,409</u>	<u>\$ 1,112,203</u>	<u>\$ 1,236,612</u>

(8) Receivables

Receivables at August 31, 2022 consist of the following:

	<u>General</u>	<u>ELWW</u>	<u>Sewer</u>	<u>OREC</u>	<u>Total</u>
Accounts, net	\$ 40,197	\$ 521,093	\$ 610,004	\$ -	\$ 1,171,294
CLECO	-	213,083	-	-	213,083
Loans	-	-	-	26,134	26,134
Franchise taxes	149,230	-	-	-	149,230
Interest	-	-	-	32,662	32,662
Rent	9,690	-	-	-	9,690
Fines and fees	<u>4,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,779</u>
	<u>\$ 203,896</u>	<u>\$ 734,176</u>	<u>\$ 610,004</u>	<u>\$ 58,796</u>	<u>\$ 1,606,872</u>

(9) Accounts Receivable – Utility Funds

As of August 31, 2022, the customer receivables recorded in the Electric Light and Waterworks Fund and Sewer Fund are net of allowances for uncollectible accounts. These allowances are \$261,150 and \$137,161, respectively.

As of August 31, 2022, customer receivables include unbilled revenue for the Electric Light and Waterworks Fund and Sewer Fund of \$323,562 and \$286,932, respectively. These amounts represent revenue earned which is not billed until the next billing cycle.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Customer receivables as of August 31, 2022 consist of the following:

	<u>ELWW</u>	<u>Sewer</u>	<u>Total</u>
Billed accounts receivable	\$ 458,681	\$ 460,233	\$ 918,914
Unbilled accounts receivable	323,562	286,932	610,494
Allowance for uncollectibles	<u>(261,150)</u>	<u>(137,161)</u>	<u>(398,311)</u>
Net accounts receivable	<u>\$ 521,093</u>	<u>\$ 610,004</u>	<u>\$ 1,131,097</u>

(10) Capital Assets

Capital asset activity for the year ended August 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,836,529	\$ -	\$ -	\$ 1,836,529
Construction in progress	137,224	2,596,846	-	2,734,070
Other capital assets:				
Buildings	8,944,501	-	-	8,944,501
Improvements other than buildings	18,827,795	294,464	-	19,122,259
Equipment and machinery	<u>10,283,382</u>	<u>326,465</u>	<u>527,335</u>	<u>10,082,512</u>
Totals	<u>40,029,431</u>	<u>3,217,775</u>	<u>527,335</u>	<u>42,719,871</u>
Less accumulated depreciation				
Buildings	4,793,965	177,307	-	4,971,272
Improvements other than buildings	12,004,906	580,012	-	12,584,918
Equipment and machinery	<u>5,903,117</u>	<u>373,072</u>	<u>527,335</u>	<u>5,748,854</u>
Total accumulated depreciation	<u>22,701,988</u>	<u>1,130,391</u>	<u>527,335</u>	<u>23,305,044</u>
Governmental activities, capital assets, net	<u>\$ 17,327,443</u>	<u>\$ 2,087,384</u>	<u>\$ -</u>	<u>\$ 19,414,827</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 77,698	\$ -	\$ -	\$ 77,698
Construction in progress	460,211	2,363,708	-	2,823,919
Other capital assets:				
Buildings	1,317,911	-	-	1,317,911
Utility system and improvements	59,954,538	-	-	59,954,538
Machinery and equipment	1,948,960	113,800	-	2,062,760
Totals	<u>63,759,318</u>	<u>2,477,508</u>	<u>-</u>	<u>66,236,826</u>
Less accumulated depreciation				
Buildings	1,311,852	1,119	-	1,312,971
Utility system & improvements	41,250,335	1,145,867	-	42,396,202
Machinery and equipment	1,674,819	104,868	-	1,779,687
Total accumulated depreciation	<u>44,237,006</u>	<u>1,251,854</u>	<u>-</u>	<u>45,488,860</u>
Business-type activities, capital assets, net	<u>\$ 19,522,312</u>	<u>\$ 1,225,654</u>	<u>\$ -</u>	<u>\$ 20,747,966</u>

Lease asset activity for the year ended August 31, 2022 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Right to use lease assets:				
Equipment	\$ -	\$ 81,563	\$ -	\$ 81,563
Less accumulated amortization:				
Equipment	<u>-</u>	<u>1,359</u>	<u>-</u>	<u>1,359</u>
Governmental activities, lease assets, net	<u>\$ -</u>	<u>\$ 80,204</u>	<u>\$ -</u>	<u>\$ 80,204</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation and amortization expense was charged to governmental activities as follows:

	Capital Assets	Lease Assets
General government	\$ 145,081	\$ 1,133
Public safety	318,360	-
Public works	521,064	-
Culture and recreation	133,017	151
Health and welfare	<u>12,869</u>	<u>75</u>
Total depreciation expense	<u>\$ 1,130,391</u>	<u>\$ 1,359</u>

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

	Capital Assets
Electric Light and Waterworks	\$ 769,083
Sewer	<u>482,771</u>
Total depreciation expense	<u>\$ 1,251,854</u>

(11) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following at August 31, 2022:

	General	ELWW	Sewer	Total
Accounts payable	\$2,035,337	\$ 356,230	\$ 222,224	\$2,613,791
Salaries payable	194,764	-	-	194,764
Retirement payable	502,866	12,276	4,092	519,234
Permit deposits payable	13,846	-	-	13,846
Other	<u>-</u>	<u>5,940</u>	<u>-</u>	<u>5,940</u>
Totals	<u>\$2,746,813</u>	<u>\$ 374,446</u>	<u>\$ 226,316</u>	<u>\$3,347,575</u>

(12) Leases

The City has entered into an agreement to lease certain equipment. The lease agreement qualifies as other than short-term leases under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception. The agreement was executed on August 1, 2022, to lease twelve copy machines and requires 60 monthly payments of \$1,551. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 5.51%. As a result of the lease, the City has recorded a right to use asset with a net book value of \$80,204 at August 31, 2022. The right to use asset is discussed in more detail in Note 10.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

The future principal and interest payments for leases of governmental activities as of August 31, 2022, were as follows:

Year ending August 31,	Principal	Interest	Total
2023	\$ 14,570	\$ 4,044	\$ 18,614
2024	15,393	3,221	18,614
2025	16,263	2,351	18,614
2026	17,182	1,432	18,614
2027	16,604	461	17,065
Total	<u>\$ 80,012</u>	<u>\$ 11,509</u>	<u>\$ 91,521</u>

On February 3, 2009, the City of Opelousas entered into an operative lease for the Orphan Train Museum for a total cost of \$100 which was paid in full on March 3, 2009. The lease was for a term of 100 years beginning February 3, 2009, with the option to renew for an additional 100 years.

(13) Long-Term Liabilities

The following is a summary of long-term liability transactions of the City for the year ended August 31, 2022:

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Long-term debt:					
Direct placements:					
Sales Tax Refunding					
Bonds	\$ 2,512,000	\$ -	\$ 321,000	\$ 2,191,000	\$ 333,000
Utility Revenue Bonds	7,949,554	-	1,130,724	6,818,830	1,033,000
Other long-term liabilities:					
Lease liability	-	81,563	1,551	80,012	14,570
Notes payable	3,013,615	134,395	448,252	2,699,758	368,115
Compensated absences payable	1,375,089	125,910	-	1,500,999	-
	<u>\$14,850,258</u>	<u>\$ 341,868</u>	<u>\$ 1,901,527</u>	<u>\$13,290,599</u>	<u>\$1,748,685</u>

Sales tax refunding bonds are associated with governmental activities and are liquidated by the General Fund. Utility revenue bonds are associated with business-type activities and are liquidated by the ELWW and Sewer Funds. Compensated absences are associated with both governmental and business-type activities and are generally liquidated by the General, ELWW, and Sewer Funds. Notes payable are associated with governmental activities and are liquidated by the General Fund.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

In the event of default of the Sales Tax Refunding or Utility Revenue bonds, all outstanding principal and interest accrued may become due immediately.

Compensated absences payable is not amortizable because the timing of the payouts is based on factors outside the City's control.

Long-term liabilities payable at August 31, 2022 is comprised of the following individual issues:

Governmental activities:

General obligation bonds –

\$2,627,000 Sales Tax Refunding Bonds, Series 2020B, due in annual installments of \$115,000 to \$399,000 through September 1, 2028; interest at 3.72%; payable from Sales Tax revenues	<u>\$ 2,191,000</u>
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Notes payable –

\$1,500,000 purchase agreement dated March 8, 2018 due in annual installments of \$183,894, including interest at 3.887%, through March 8, 2028, secured by fire equipment with a book value of \$1,285,000.	\$ 967,566
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\$1,905,233 purchase agreement dated February 11, 2021, due in one annual installment of \$223,124 due February 2022 and monthly installments of \$18,384, including interest at 2.98%, through February 11, 2031, secured by fire equipment with a book value of \$1,784,568.	1,626,170
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\$134,395 purchase agreement dated October 19, 2021, due in monthly installments of \$3,946, including interest at 3.45%, through November 19, 2024, secured by street department with a book value of \$111,996.	<u>106,022</u>
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\$ 2,699,758

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Business-type activities: Revenue bonds –

\$8,026,000 Utility Revenue Refunding Bonds, Series 2020C, due in annual installments of \$340,000 to \$1,198,000 through September 1, 2028; interest at 3.02%; payable from electric light and waterworks revenues	\$ 6,683,000
\$500,000 Taxable Utility Revenue Bond, Series 2020A non-interest bearing sewer revenue bonds for the purpose of acquiring, construction, and intalling improvements, extensions, and additions to the sewerage system of City. The bonds were sold to the Louisiana Department of Environmental Quality (the "Department"). The City's obligation to repay the principal of the bonds will be forgiven simultaneously with the payment by the Department of each installment of the purchase price of the bonds. At the time of the debt forgiveness, these amounts are recognized as grant revenue.	<u>135,830</u>
	<u>\$ 6,818,830</u>

Annual debt service requirements to maturity of bonds outstanding are as follows:

Year ending August 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Principal payments</u>	<u>Interest payments</u>	<u>Principal payments</u>	<u>Interest payments</u>	<u>Principal payments</u>	<u>Interest payments</u>
2023	\$ 333,000	\$ 81,506	\$ 1,168,830	\$ 201,826	\$ 1,501,830	\$ 283,332
2024	345,000	69,118	1,064,000	170,630	1,409,000	239,748
2025	358,000	56,284	1,096,000	138,498	1,454,000	194,782
2026	371,000	42,966	1,129,000	105,398	1,500,000	148,364
2027	385,000	29,164	1,163,000	71,302	1,548,000	100,466
2028 - 2029	<u>399,000</u>	<u>14,842</u>	<u>1,198,000</u>	<u>36,180</u>	<u>1,597,000</u>	<u>51,022</u>
Total	<u>\$ 2,191,000</u>	<u>\$ 293,880</u>	<u>\$ 6,818,830</u>	<u>\$ 723,834</u>	<u>\$ 9,009,830</u>	<u>\$ 1,017,714</u>

Annual debt service requirements to maturity of notes outstanding for governmental activities are as follows:

<u>Year ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 368,115	\$ 87,696	\$ 455,811
2024	376,966	74,898	451,864
2025	353,964	62,382	416,346
2026	353,897	50,610	404,507
2027	366,008	38,499	404,507
2028 - 2031	<u>880,808</u>	<u>46,645</u>	<u>927,453</u>
Total	<u>\$ 2,699,758</u>	<u>\$ 360,730</u>	<u>\$ 3,060,488</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(14) Pension Plans

The City participates in four cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature. These plans are not closed to new entrants. Substantially all City employees participate in one of the following retirement systems:

**Plan Descriptions**

Municipal Employees' Retirement System (MERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1731 and 11:1781. The City participates in Plan B.

State of Louisiana – Municipal Police Employees' Retirement System (MPERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in the LRS 11:2211 and 11:2220.

State of Louisiana – Firefighters' Retirement System (FRS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in the LRS 11:2251-2254 and 11:2256.

Louisiana State Employees' Retirement System (LASERS) provides retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in the Louisiana Revised Statutes. The age and years of creditable service required in order for a member to receive retirement benefits are established by LRS 11:441 and vary depending on the member's hire date, employer, and job classification.

The system's financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year collected by the tax collector. A brief summary of eligibility and benefits of the plans are provided in the following table:

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

	MERS	MPERS	FRS	LASERS
Final average salary	Highest 60 months	Highest 36 months or 60 months <sup>2</sup>	Highest 36 months	Highest 36 months or 60 months <sup>6</sup>
Years of service required and/or age eligible for benefits	25 years of any age 10 years age 60 20 years any age <sup>1</sup>	25 years of any age 20 years age 55 12 years age 55 20 years any age <sup>1</sup> 30 years any age <sup>3</sup> 25 years age 55 <sup>3</sup> 10 years age 60 <sup>3</sup>	25 years of any age 20 years age 50 12 years age 55	30 years of any age 25 years age 55 20 years of any age <sup>1</sup> 5-10 years age 60 <sup>7</sup>
Benefit percent per years of service	3.00%	2.50 - 3.33% <sup>4</sup>	3.33%	2.5% - 3.5% <sup>8</sup>

<sup>1</sup> With actuarial reduced benefits

<sup>2</sup> Membership commencing January 1, 2013

<sup>3</sup> Under non hazardous duty sub plan commencing January 1, 2013

<sup>4</sup> As of January 1, 2013 non hazardous duty plan 2.5%, hazardous duty plan 3.0%, prior to January 1, 2013 3.33%

<sup>5</sup> Employees hired after January 1, 2007: 30 years age 55, 10 years age 62, 7 years age 67

<sup>6</sup> Employees hired after 6/30/06 use the revised benefit calculation based on the highest 60 months

<sup>7</sup> Five to ten years of creditable service at age 60 depending upon the plan or when hired

<sup>8</sup> Members in regular plan 2.5%, hazardous duty plan 3.33%, and judges 3.5%

<sup>9</sup> Benefit percent varies depending on hire date

<sup>10</sup> For those hired prior to 1/1/2013

<sup>11</sup> Hired after 12/31/12 age eligibility is 30 years at 55, 20 years at 60, and 10 years at age 62

**Contributions**

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer’s portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems’ Actuarial Committee. In addition, MERS receives a percentage of ad valorem taxes collected by parishes, and MPERS and FRS receive a percentage of insurance premium taxes from the State. These entities are not participating employers in the pension systems and are considered to be nonemployer contributing entities. Contributions of employees, employers, and non-employer contributing entities effective for the year ended August 31, 2022 for the defined benefit pension plans in which the City is a participating employer were as follows:

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Plan	Active Member Contribution Percentage	Employer Contribution Percentage	Amount from Nonemployer Contributing Entities	Amount of Government Contributions
MERS	10.00%	29.50%	\$ 143,791	\$ 1,044,395
MPERS	10.00%	31.25%	180,210	715,411
FRS	10.00%	33.25%	287,440	838,659
LASERS	13.00%	43.80%	-	14,837
TOTAL			\$ 611,441	\$ 2,613,302

**Net Pension Liability**

The City’s net pension liability at August 31, 2022 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City’s net pension liability for each plan was measured as of the plan’s measurement date (June 30, 2022 for all) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate share of the net pension liability for each of the plans in which it participates was based on the City’s required contributions in proportion to total required contributions for all employers.

As of the most recent measurement date, the Government’s proportion for each plan and the change in proportion from the prior measurement date were as follows:

Plan	Proportionate Share of Net Pension Liability	Proportionate Share (%) of Net Pension Liability	Increase/(Decrease) from Prior Measurement Date
MERS	\$ 8,385,927	2.019132%	0.192167%
MPERS	8,280,752	0.810109%	-0.066524%
FRS	7,120,254	1.009780%	0.008341%
LASERS	133,278	0.001760%	-0.000010%
Total	\$ 23,920,211		

Since the measurement date of the net pension liability was June 30, 2022 the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan’s assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City’s net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

MERS - <http://www.mersla.com/>  
 MPERS - <http://www.lampers.org/>

FRS - <http://ffret.com/>  
 LASERS - <http://lasersonline.org/>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

**Actuarial Assumptions**

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the City is a participating employer:

	MERS	MPERS	FRS	LASERS
Date of experience study on which significant assumptions are based	7/1/2013 - 6/30/2018	7/1/2014 - 6/30/2019	7/1/2014 - 6/30/2019	2014 - 2018
Expected remaining service lives	3	4	7	2
Inflation rate	2.500%	2.500%	2.500%	2.300%
Projected salary increases	4.5% - 6.4%	4.7% - 12.3%	5.2% - 14.1%	2.6% - 13.8%
Projected benefit changes including COLAs	None	None	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5), (6)	(7), (8), (9)	(10), (11)

- (1) PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females using respective male and female MP2018 scales.
- (2) PubG-2010(B) Employee Table set equal to 120% for males and females using respective male and female MP2018 scales.
- (3) PubNS-2010(B) Disabled Retiree Tables set equal to 120% for males and females with full generational MP2018 scale.
- (4) Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Health Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.
- (5) Pub-2010 Public Retirement Plan Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.
- (6) Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.
- (7) Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Employees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.
- (8) Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.
- (9) Pub-2010 Public Retirement Plan Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.
- (10) RP-2014 Combined Healthy Mortality Table with mortality improvement projected to 2018.
- (11) RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement.

**Cost of Living Adjustments**

The pension plans in which the City participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. COLAs may be granted to the state system (LASERS) if approved with a two-thirds vote of both houses of the Legislature, provided the plan meets certain statutory criteria related to the funded status and interest earnings.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide systems (MERS, MPERS, and FRS) to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

**Discount Rate**

The discount rates used to measure the Government’s total pension liability for each plan and the significant assumptions used in the determination of the discount rate for each plan are as follows:

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>
Discount rate	6.85%	6.75%	6.90%	7.25%
Change in discount rate from prior valuation	0.00%	0.00%	0.00%	-0.15%
Plan cash flow assumptions	(1)	(1)	(1)	(1)
Rates incorporated in the Discount Rate:				
Long-term Rate of Return	6.85%	6.75%	6.90%	7.25%
Periods applied	All	All	All	All
Municipal Bond Rate	N/A	N/A	N/A	N/A

Plan Cash Flow Assumptions:

- 1) Plan member contributions will be made at the current contributions rates and sponsor contributions will be made at the actuarially determined rates.

The discount rates used to measure the City’s total pension liability for each plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. For MERS, MPERS, FRS, and LASERS, the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized for each plan in the following tables:

Asset Class	MERS*		MPERS*		FRS*		LASERS**
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Long-term Expected Real Rate of Return
Domestic Fixed Income	-	-	-	-	21.0%	1.35%	1.48%
International Fixed Income	-	-	-	-	5.0%	2.99%	5.04%
Fixed Income	38%	1.65%	30.5%	0.85%	18.0%	0.84%	-
Domestic Equity	-	-	-	-	27.5%	5.64%	4.57%
International Equity	-	-	-	-	11.5%	5.89%	5.76%
Global Equity	-	-	-	-	10.0%	5.99%	-
Equities	53%	2.31%	55.5%	3.60%	7.0%	7.75%	-
Global Tactical Asset Allocation	-	-	-	-	-	3.14%	-
Risk Parity	-	-	-	-	-	3.14%	0.00%
Alternative Investments	9%	0.39%	14.0%	0.95%	-	-	8.30%
Other/Cash	-	-	-	-	3.0%	4.89%	0.39%
Private Equity	-	-	-	-	9.0%	8.99%	-
Real Estate	-	-	-	-	6.0%	4.57%	-
Total	<u>100%</u>	<u>4.35%</u>	<u>100%</u>	<u>5.40%</u>	<u>118%</u>		<u>5.91%</u>
Inflation/Rebalancing		<u>2.60%</u>		<u>2.66%</u>			
Expected Return		<u>6.95%</u>		<u>8.06%</u>			

\*Arithmetic real rates of return

\*\*Geometric real rates of return

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended August 31, 2022, the City recognized \$557,322 in pension benefit related to all defined benefit plans in which it participates. MERS, MPERS, and FRS recognized revenues in the amount of \$611,441 in ad valorem taxes and insurance premiums collected from non-employer contributing entities. The pension expense and revenues are summarized by plan in the following table:

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

<u>Plan</u>	<u>Pension Expense (Benefit)</u>	<u>Revenues</u>
MERS	\$ (84,356)	\$ 143,791
MPERS	350,013	180,210
FRS	287,145	287,440
LASERS	4,520	-
Total	<u>\$ 557,322</u>	<u>\$ 611,441</u>

At August 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>				
	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 9,904	\$ 40,841	\$ 42,557	\$ 363	\$ 93,665
Changes in assumptions	81,241	285,640	587,117	2,423	956,421
Net difference between projected and actual earnings on pension plan investments	1,395,385	1,478,375	1,612,924	10,735	4,497,419
Changes in proportion and differences between actual contributions and proportionate share of contributions	447,666	354,225	80,570	130	882,591
Employer contributions to the pension plans subsequent to the measurement date of the net pension liability	<u>159,758</u>	<u>114,637</u>	<u>124,687</u>	<u>2,331</u>	<u>401,413</u>
Total	<u>\$2,093,954</u>	<u>\$2,273,718</u>	<u>\$2,447,855</u>	<u>\$ 15,982</u>	<u>\$6,831,509</u>

	<u>Deferred Inflows of Resources</u>				
	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 32,113	\$ 67,491	\$ 335,610	\$ -	\$ 435,214
Changes in assumptions	-	61,592	-	-	61,592
Changes in proportion and differences between actual contributions and proportionate share of contributions	<u>367,447</u>	<u>514,786</u>	<u>218,309</u>	<u>233</u>	<u>1,100,775</u>
Total	<u>\$ 399,560</u>	<u>\$ 643,869</u>	<u>\$ 553,919</u>	<u>\$ 233</u>	<u>\$1,597,581</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deferred outflows of resources of \$401,413 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the subsequent year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended August 31	MERS	MPERS	FRS	LASERS	TOTAL
2023	\$ 282,283	\$ 332,478	\$ 427,490	\$ 6,425	\$ 1,048,676
2024	449,655	432,647	309,254	2,349	1,193,905
2025	133,530	(25,381)	168,826	(2,715)	274,260
2026	669,168	775,468	844,663	7,359	2,296,658
2027	-	-	32,201	-	32,201
Thereafter	-	-	(13,185)	-	(13,185)
	<u>\$ 1,534,636</u>	<u>\$ 1,515,212</u>	<u>\$ 1,769,249</u>	<u>\$ 13,418</u>	<u>\$ 4,832,515</u>

**Sensitivity of the Government’s Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate:**

The following presents the City’s proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the City’s proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	6.85%	\$ 11,154,919	\$ 8,385,927	\$ 6,046,216
MPERS	6.75%	11,591,467	8,280,752	5,515,209
FRS	6.90%	10,533,625	7,120,254	4,273,261
LASERS	7.25%	167,703	133,278	101,888
Total		<u>\$ 33,447,714</u>	<u>\$ 23,920,211</u>	<u>\$ 15,936,574</u>

**Payables to the Pension Plans**

The City recorded accrued liabilities to each of the pension plans for the year ended August 31, 2022 for the contractually required contributions for the months of July and August 2022. The amounts are included in liabilities under the amounts reported as accounts and other payables. The balance due to each plan at August 31, 2022 is as follows:

Plan	
MERS	\$ 208,652
MPERS	145,466
FRS	162,186
LASERS	2,930
Total	<u>\$ 519,234</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(15) Employee Retirement – Deferred Compensation Plan

The City offers its employees participation in the State of Louisiana Public Employees Deferred Compensation Plan administered by the Louisiana Deferred Compensation Commission. The plan, regulated under the provisions of Title 32, Part VII of the Louisiana Administrative Code, is a defined contribution plan established in accordance with the Internal Revenue Code Section 457. The plan is a retirement savings plan allowing eligible employees to supplement any existing retirement and pension benefits by saving and investing pre-tax and/or after-tax dollars through a voluntary salary contribution.

Contributions to Section 457 plans are determined by the U.S. Department of the Treasury's Internal Revenue Service. In 2022, participants in the plan may contribute up to 100% of earnable compensation or \$20,500, whichever is less. Participants in the plan have two different options to catch-up and contribute more when nearing retirement. In the three calendar years prior to normal retirement age, the special catch-up allows participants to contribute up to \$41,000 in 2022. Also participants who were age 50 or older by the end of the calendar year are eligible to make additional catch-up contributions of up to \$6,500.

The City makes no matching contributions and no amounts were payable to the plan at August 31, 2022.

Participant and on-behalf City contributions to the plan may be invested in a variety of investment options broadly diversified with distinct risk and return characteristics. Self-directed brokerage and managed account options are available. Contributions and investment earnings are always 100% vested.

The plan has issued a standalone audit of their financial statements. Access to the report can be located on the website of the Louisiana Legislative Auditor, [www.la.gov](http://www.la.gov), or the Louisiana Public Employees Deferred Compensation Plan, Louisiana DCP.com

(16) Litigation and Claims

At August 31, 2022, the City is involved in several lawsuits claiming damages. In the opinion of the City's legal counsel, the only exposure to the City would be any costs in defense of the lawsuits with no liability to the City in excess of insurance coverage. The City also has worker's compensation claims that are unlikely to be settled due to the individuals having permanent disabilities and are currently receiving medical care. The only exposure to the City would be administrative fees with no liability in excess of insurance coverage. See Note 17.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(17) Risk Management

A. Self-Insurance

The City maintains various self-insurance accounts for general and auto liability, workmen’s compensation benefits, and health insurance (accounted for in Internal Service Fund G, Workmen’s Compensation Fund and Health Self Insurance Fund, respectively) as of August 31, 2022. Most funds of the City participate in the self-insurance funds by making payments based on premiums necessary to cover claims, administrative costs, and commercial insurance premiums, if applicable.

For the fiscal year ending August 31, 2022, the City was self-insured for claims relating to workmen’s compensation insurance.

The City has established a self-insurance health plan to account for and finance its uninsured risk of loss for commercial group health insurance. The plan is administered by UMR. Under this plan, the City has a stop loss insurance policy with United States Fire Insurance Company under which the City will be reimbursed for aggregate incurred claims during the period of insurance less any amounts paid with respect to the specific incurred claims. No claims will be reimbursed until all claims in excess of the specific attachment point of \$2,300,571 exceed a corridor of the greater of the product of the enrollment times a factor per employee or the annual corridor of \$80,000. Monthly payments are calculated based on the number of employees with single coverage multiplied by a funding factor of \$638 and the number of employees with family coverage multiplied by a funding factor of \$1,723. The City currently funds the plan based upon actual claims incurred instead of the funding factors discussed above.

A reconciliation of claims liabilities which are included in the financial statements as accounts payable and accrued expenses and claims payable for the self-insurance funds follows:

	Internal Service Fund G	Workmen's Compensation Fund	Health Self Insurance Fund	Total
Beginning balance	\$ 1,323,500	\$ -	\$ 252,570	\$ 1,576,070
Claims incurred	67,002	531,685	2,131,577	2,730,264
Claims paid	<u>(67,002)</u>	<u>(531,685)</u>	<u>(1,837,838)</u>	<u>(2,436,525)</u>
Ending balance	<u>\$ 1,323,500</u>	<u>\$ -</u>	<u>\$ 546,309</u>	<u>\$ 1,869,809</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Commercial Insurance Coverage

The City is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. The City is self-insured for a portion of these losses as discussed above. The risk of any excess liability is handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(18) Commitments and Contingencies

The City received funding under grants from various federal and state agencies. The agency grants specify the purpose for which the grant monies are to be used. These grants are subject to audit by the granting agency or its representative.

In December 2019, the City received notice from the Internal Revenue Service of a tax lien relating to payroll taxes, penalties and interest for various tax periods from 2013 through 2019. The City appealed this assessment and has been working with an IRS representative to resolve this matter. During the year, the City paid \$15,000 to pay off this tax lien. The City also paid \$50,515 toward this tax lien in prior fiscal years. The City has been granted abatements for penalties assessed for tax periods 2013, 2014, 2015, 2017, 2018, and 2019. It is expected that the City will also receive an abatement for penalties assessed for tax period 2016.

(19) Segment Information for the Enterprise Funds

The City of Opelousas maintains two enterprise funds, each with one department, which provide water and sewerage services. Segment information for the year ended August 31, 2022, was as follows:

	<u>Electric Lights and Waterworks</u>	<u>Sewer Department</u>	<u>Total Enterprise Funds</u>
Operating revenues	<u>\$5,508,193</u>	<u>\$ 1,694,848</u>	<u>\$ 7,203,041</u>
Operating expenses:			
Depreciation	769,083	482,771	1,251,854
Other	<u>2,746,780</u>	<u>1,255,517</u>	<u>4,002,297</u>
Total operating expenses	<u>3,515,863</u>	<u>1,738,288</u>	<u>5,254,151</u>
Operating income (loss)	<u>\$1,992,330</u>	<u>\$ (43,440)</u>	<u>\$ 1,948,890</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(20) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at August 31, 2022 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ 6,254,653	\$ 685,034
Sales Tax Fund	700,000	-
Non-major governmental funds	20,627	5
Proprietary funds:		
Electric Light and Waterworks Fund	1,101,620	1,432,958
Sewer Fund	50,420	5,763,228
Internal Service Fund A	323,362	-
Internal Service Fund G	-	776,124
Workmen's Compensation Fund	265,269	-
Health Self Insurance Fund	-	58,602
	<u>-</u>	<u>58,602</u>
Total	<u>\$ 8,715,951</u>	<u>\$ 8,715,951</u>

The amounts due to various other funds are for short-term loans.

B. Transfers consisted of the following at August 31, 2022:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 19,240,706	\$ 5,437,063
Sales Tax Special Revenue Fund	-	11,701,609
Non-major governmental funds	1	-
Proprietary funds:		
Electric Light and Waterworks Fund	1,988,118	4,835,230
Sewer Fund	275,000	1,706,434
Internal Service Fund A	2,165	-
Internal Service Fund G	-	82,421
Workmen's Compensation Fund	103	-
Health Self Insurance Fund	2,256,664	-
	<u>2,256,664</u>	<u>-</u>
Total	<u>\$ 23,762,757</u>	<u>\$ 23,762,757</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.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(21) Compensation of City Officials

A detail of compensation paid to the Mayor and City Council for the year ended August 31, 2022 follows:

	<u>Salary</u>	<u>Auto Allowance</u>	<u>Total</u>
Julius Alsandor, Mayor	\$ 76,877	\$ 7,980	\$ 84,857
Council Members:			
Marvin Richard	16,432	4,200	20,632
Sherell Roberts	15,246	4,200	19,446
Milton Batiste, III	15,246	4,200	19,446
Floyd Ford	15,246	4,200	19,446
Charles Cummings	15,246	4,200	19,446
Chasity Davis	15,712	4,200	19,912
	<u>\$ 170,005</u>	<u>\$ 33,180</u>	<u>\$ 203,185</u>

(22) Compensation, Benefits, and Other Payments to Mayor

A detail of compensation, benefits, and other payments paid to Mayor Julius Alsandor for the year ended August 31, 2022 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 76,877
Auto allowance	7,980
Benefits - life insurance	84
Benefits - retirement	22,450
Benefits - health insurance	5,400
Other reimbursements	3,456
	<u>116,247</u>

(23) On-Behalf Payment of Salaries

The State of Louisiana paid the City's policemen and firemen \$477,831 of supplemental pay during the year ended August 31, 2022. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government wide and General Fund financial statements.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(24) Enterprise Fund Contracts

A. Franchise Agreement with CLECO

On May 14, 1991, the City of Opelousas entered into a Franchise Agreement with Central Louisiana Electric Company, Inc. (CLECO) for operating and distributing electricity within the corporate limits of the City. The primary term of this Agreement shall be for a period of 10 years from August 11, 1991 to August 11, 2001, with the option granted to CLECO to renew such Agreement for 3 additional 10-year periods. The City of Opelousas renewed this agreement for a second period of 10 years from August 11, 2011 to August 11, 2021. This agreement was then renewed and modified on July 9, 2019, extending the agreement for an additional 10 years through August 11, 2031.

The City shall continue to own its electric distribution system within the City but enters into an operating Agreement with CLECO whereby CLECO is granted the full right to use and operate same and to repair and replace lines, poles, and other equipment as and when deemed necessary for the purpose of efficiently maintaining the system. The electric distribution system does not include the City's power plant and CLECO has no rights or obligations relative to the power plant. All improvements made by CLECO are to be purchased by the City at the end of the lease at cost less depreciation.

Under the terms of the Agreement, that for and in consideration of the city granting to CLECO the franchise and the right to use the City's electric distribution system, CLECO binds and obligates itself to pay the following:

1. The sum of \$1,300,000 upon execution of the Agreement.
2. A monthly payment of \$170,000 for 120 months beginning August 11, 2001 for operations. Beginning August 11, 2021, this monthly payment will increase to \$175,000.
3. A franchise fee of equal to 4% of the amounts received by CLECO from the sale and delivery of electric energy at retail for residential and commercial purposes, commencing August 11, 2011. This amount shall be paid monthly, and the annual amount shall be no less than \$350,000.

CLECO shall also bill and collect for and on behalf of the City a consumer service charge, the amount of which will be added to each consumer's bill on a cost per kilowatt-hour basis. The amount of this surcharge shall be determined by the Mayor and City Council.

B. Franchise Agreement with SLEMCO

On March 1, 2006, the City of Opelousas entered into a franchise agreement with Southwest Louisiana Membership Corporation (SLEMCO) for operating and distributing electricity within the corporate limits of the City of Opelousas, with the exception of the "Excluded Area." The excluded area is defined as all areas that were within the Opelousas city limits as those city limits existed in August 1991 when the City leased its city-owned electrical system to Central Louisiana Electric Company (CLECO).

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

The primary term of the agreement shall be for a period of 6 years and 6 months commencing on March 1, 2006 and ending on August 11, 2011. The City of Opelousas renewed this agreement for a period of 10 years from August 11, 2011 to August 11, 2021. The City of Opelousas renewed this agreement for a period of 10 years from August 12, 2021 to August 11, 2031.

The City entered into an operating agreement with SLEMCO whereby SLEMCO is granted the right and privilege of constructing, erecting, maintaining, and operating SLEMCO's electric transmission and distribution lines and systems, for the purpose of selling, servicing, handling, and distributing electricity and electric energy within the corporate limits of the City as they existed on March 1, 2006 and as thereafter extended on SLEMCO lines, including poles, lines, wires, insulators, transformers, services, arms, braces, guys, and all other necessary or usual attachments and appurtenances, along, across, over, under and on the streets, lanes, highways, public roads, and other public places in the City, with the exception of the "Excluded Area."

Under the terms of the agreement, that for and in consideration of the City granting to SLEMCO the franchise and the right to operate SLEMCO's electric transmission and distribution line and systems, SLEMCO binds and obligates itself to pay the following:

1. The sum of \$373,708 upon execution of the agreement.
2. A monthly franchise fee of equal to 4% of gross revenue collected by SLEMCO from its retail sale and delivery of electric energy in the City.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

CITY OF OPELOUSAS, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended August 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 2,339,417	\$ 2,480,738	\$ 2,536,425	\$ 55,687
Licenses and permits	973,864	932,132	936,834	4,702
Intergovernmental	2,856,572	4,272,022	5,851,445	1,579,423
Charges for services	204,121	299,251	285,514	(13,737)
Fines and forfeitures	47,260	24,257	29,907	5,650
Other	307,512	580,462	392,287	(188,175)
Total revenues	<u>6,728,746</u>	<u>8,588,862</u>	<u>10,032,412</u>	<u>1,443,550</u>
<b>Expenditures:</b>				
Current -				
General government	2,840,471	2,849,221	2,974,296	(125,075)
Public safety	9,012,766	9,560,810	10,390,923	(830,113)
Public works	1,603,581	1,878,279	1,856,375	21,904
Health and welfare	583,188	487,173	500,059	(12,886)
Culture and recreation	1,530,693	1,434,310	1,500,214	(65,904)
Economic development	78,957	152,128	180,843	(28,715)
Capital outlay	3,528,470	5,075,335	3,332,369	1,742,966
Debt service -				
Principal retirement	185,219	158,857	770,802	(611,945)
Interest and fiscal charges	93,984	59,612	231,859	(172,247)
Total expenditures	<u>19,457,329</u>	<u>21,655,725</u>	<u>21,737,740</u>	<u>(82,015)</u>
Deficiency of revenues over expenditures	<u>(12,728,583)</u>	<u>(13,066,863)</u>	<u>(11,705,328)</u>	<u>1,361,535</u>
<b>Other financing sources (uses):</b>				
Proceeds from leases	-	-	215,958	215,958
Sale of capital assets	5,000	7,986	7,986	-
Transfers in	13,475,000	15,278,521	19,240,706	3,962,185
Transfers out	(2,250,000)	(2,250,000)	(5,437,063)	(3,187,063)
Total other financing sources (uses)	<u>11,230,000</u>	<u>13,036,507</u>	<u>14,027,587</u>	<u>991,080</u>
Net change in fund balance	(1,498,583)	(30,356)	2,322,259	2,352,615
Fund balances, beginning	<u>4,540,107</u>	<u>4,540,107</u>	<u>4,540,107</u>	<u>-</u>
Fund balances, ending	<u>\$ 3,041,524</u>	<u>\$ 4,509,751</u>	<u>\$ 6,862,366</u>	<u>\$ 2,352,615</u>

The accompanying notes are an integral part of this schedule.

CITY OF OPELOUSAS, LOUISIANA  
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended August 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$10,925,000	\$ 11,550,186	\$ 11,637,833	\$ 87,647
Other	<u>7,250</u>	<u>2,857</u>	<u>2,738</u>	<u>(119)</u>
Total revenues	10,932,250	11,553,043	11,640,571	87,528
Expenditures:				
Current -				
General government	<u>353,987</u>	<u>356,062</u>	<u>357,086</u>	<u>(1,024)</u>
Excess of revenues over expenditures	10,578,263	11,196,981	11,283,485	86,504
Other financing uses:				
Transfers out	<u>(9,150,000)</u>	<u>(10,452,733)</u>	<u>(11,701,609)</u>	<u>(1,248,876)</u>
Net change in fund balance	1,428,263	744,248	(418,124)	(1,162,372)
Fund balances, beginning	<u>2,072,998</u>	<u>2,072,998</u>	<u>2,072,998</u>	<u>-</u>
Fund balances, ending	<u>\$ 3,501,261</u>	<u>\$ 2,817,246</u>	<u>\$ 1,654,874</u>	<u>\$ (1,162,372)</u>

The accompanying notes are an integral part of this schedule.

CITY OF OPELOUSAS, LOUISIANA

Schedule of Employer's Share of Net Pension Liability  
For the Year Ended August 31, 2022 \*

Year ended August 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<b>Municipal Employees' Retirement System of Louisiana - Plan A:</b>					
2022	2.019132%	\$ 8,385,927	\$ 3,661,471	229.0%	67.87%
2021	1.826965%	\$ 5,081,709	\$ 3,412,690	148.9%	77.82%
2020	2.031739%	\$ 8,784,038	\$ 3,669,485	239.4%	64.52%
2019	2.179317%	\$ 9,106,628	\$ 3,796,714	239.9%	64.68%
2018	2.185248%	\$ 9,048,408	\$ 3,596,657	251.6%	63.94%
2017	2.128890%	\$ 8,906,044	\$ 3,502,465	254.3%	62.49%
2016	2.076782%	\$ 8,512,128	\$ 3,587,100	237.3%	62.11%
2015	2.085828%	\$ 7,450,904	\$ 3,559,351	209.3%	66.18%
<b>Municipal Police Employees' Retirement System of Louisiana:</b>					
2022	0.810109%	\$ 8,280,752	\$ 3,025,262	273.7%	70.80%
2021	0.876633%	\$ 4,672,933	\$ 2,879,444	162.3%	84.09%
2020	0.801380%	\$ 7,406,619	\$ 2,691,375	275.2%	70.94%
2019	0.857034%	\$ 7,783,304	\$ 2,673,941	291.1%	71.01%
2018	1.000453%	\$ 8,457,891	\$ 2,952,467	286.5%	71.89%
2017	0.998986%	\$ 8,721,570	\$ 2,930,423	297.6%	70.08%
2016	1.067947%	\$ 10,009,672	\$ 2,991,420	334.6%	66.04%
2015	1.047878%	\$ 8,209,029	\$ 2,803,091	292.9%	70.73%
<b>Firefighters' Retirement System of Louisiana:</b>					
2022	1.009780%	\$ 7,120,254	\$ 2,603,028	273.5%	74.68%
2021	1.001439%	\$ 3,548,952	\$ 2,511,894	141.3%	86.78%
2020	1.007916%	\$ 6,986,420	\$ 2,509,951	278.3%	72.61%
2019	1.053403%	\$ 6,596,315	\$ 2,530,236	260.7%	73.96%
2018	1.036182%	\$ 5,960,200	\$ 2,469,679	241.3%	74.76%
2017	1.046380%	\$ 5,997,692	\$ 2,447,252	245.1%	73.55%
2016	1.041695%	\$ 6,813,627	\$ 2,345,262	290.5%	68.16%
2015	1.005241%	\$ 5,425,399	\$ 2,136,549	253.9%	72.45%
<b>Louisiana State Employees' Retirement System:</b>					
2022	0.00176%	\$ 133,278	\$ 33,821	394.1%	63.7%
2021	0.00177%	\$ 97,420	\$ 33,821	288.0%	72.8%
2020	0.00171%	\$ 141,346	\$ 33,821	417.9%	58.0%
2019	0.00177%	\$ 128,307	\$ 33,821	379.4%	62.9%
2018	0.00256%	\$ 174,590	\$ 33,821	516.2%	64.3%
2017	0.00266%	\$ 187,022	\$ 33,821	553.0%	62.5%
2016	0.00176%	\$ 138,440	\$ 33,821	409.3%	57.7%
2015	0.00169%	\$ 114,605	\$ 32,520	352.4%	62.7%

\* The amounts presented have a measurement date of June 30th of each fiscal year.

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

The accompanying notes are an integral part of this schedule.

CITY OF OPELOUSAS, LOUISIANA

Schedule of Employer Contributions  
For the Year Ended August 31, 2022

Year ended August 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
<b>Municipal Employees' Retirement System of Louisiana - Plan A:</b>					
2022	\$ 1,048,443	\$ 1,044,395	\$ 4,048	\$ 3,554,046	29.39%
2021	\$ 1,015,844	\$ 1,015,845	\$ (1)	\$ 3,443,539	29.50%
2020	\$ 1,004,744	\$ 1,005,205	\$ (461)	\$ 3,580,853	28.07%
2019	\$ 1,002,573	\$ 1,004,125	\$ (1,552)	\$ 3,807,766	26.37%
2018	\$ 915,290	\$ 922,673	\$ (7,383)	\$ 3,662,470	25.19%
2017	\$ 835,557	\$ 832,877	\$ 2,680	\$ 3,616,471	23.03%
2016	\$ 717,594	\$ 717,167	\$ 427	\$ 3,553,410	20.18%
2015	\$ 706,408	\$ 706,464	\$ (56)	\$ 3,576,749	19.75%
<b>Municipal Police Employees' Retirement System of Louisiana:</b>					
2022	\$ 715,411	\$ 715,411	\$ -	\$ 2,386,246	29.98%
2021	\$ 959,536	\$ 959,536	\$ -	\$ 2,909,620	32.98%
2020	\$ 875,605	\$ 875,605	\$ -	\$ 2,675,419	32.73%
2019	\$ 860,002	\$ 860,008	\$ (6)	\$ 2,662,770	32.30%
2018	\$ 898,907	\$ 898,908	\$ (1)	\$ 2,898,171	31.02%
2017	\$ 961,437	\$ 961,175	\$ 262	\$ 3,046,069	31.55%
2016	\$ 892,889	\$ 892,891	\$ (2)	\$ 2,992,169	29.84%
2015	\$ 882,236	\$ 882,236	\$ -	\$ 2,829,486	31.18%
<b>Firefighters' Retirement System of Louisiana:</b>					
2022	\$ 840,691	\$ 838,659	\$ 2,032	\$ 2,496,491	33.59%
2021	\$ 818,633	\$ 818,633	\$ -	\$ 2,516,000	32.54%
2020	\$ 717,941	\$ 717,765	\$ 176	\$ 2,509,755	28.60%
2019	\$ 677,791	\$ 681,952	\$ (4,161)	\$ 2,535,172	26.90%
2018	\$ 656,255	\$ 655,908	\$ 347	\$ 2,476,434	26.49%
2017	\$ 648,401	\$ 648,401	\$ -	\$ 2,544,857	25.48%
2016	\$ 641,939	\$ 641,939	\$ -	\$ 2,382,774	26.94%
2015	\$ 627,405	\$ 627,816	\$ (411)	\$ 2,167,593	28.96%
<b>Louisiana State Employees' Retirement System:</b>					
2022	\$ 14,837	\$ 14,837	\$ -	\$ 33,821	43.87%
2021	\$ 14,452	\$ 14,452	\$ -	\$ 33,821	42.73%
2020	\$ 14,347	\$ 14,347	\$ -	\$ 33,821	42.42%
2019	\$ 13,712	\$ 13,712	\$ -	\$ 33,821	40.54%
2018	\$ 13,562	\$ 13,562	\$ -	\$ 33,821	40.10%
2017	\$ 13,947	\$ 13,483	\$ 464	\$ 35,122	38.39%
2016	\$ 12,881	\$ 12,880	\$ 1	\$ 33,821	38.08%
2015	\$ 13,319	\$ 13,859	\$ (540)	\$ 32,520	42.62%

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

The accompanying notes are an integral part of this schedule.

CITY OF OPELOUSAS, LOUISIANA

Notes to Required Supplementary Information

(1) Budget and Budgetary Accounting

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

1. The City Clerk prepares a proposed operating budget for the fiscal year and submits it to the Mayor and City Council not later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Mayor.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the City Council. Such amendments were not material in relation to the original appropriations.

(2) Excess of Expenditures over Appropriations

The General Fund and Sales Tax Fund incurred expenditures in excess of appropriations of \$82,015 and \$1,024, respectively, for the year ended August 31, 2022.

(3) Pension Plans

Changes in benefit terms – There were no changes in benefit terms.

CITY OF OPELOUSAS, LOUISIANA

Notes to Required Supplementary Information (Continued)

Changes of assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

Amounts reported in fiscal year ended August 31, 2022 for the various pension plans reflect the following changes used to measure the total pension liability:

*		Investment		Expected	Projected
Year ended	Discount	Rate	Inflation	Remaining	Salary
August 31,	Rate	of Return	Rate	Service Lives	Increase
<b>Municipal Employees' Retirement System of Louisiana - Plan A:</b>					
2022	6.85%	6.85%	2.50%	3	4.5-6.4%
2021	6.85%	6.85%	2.50%	3	4.5-6.4%
2020	6.95%	6.95%	2.50%	3	4.5-6.4%
2019	7.00%	7.00%	2.50%	3	4.5-6.4%
2018	7.275%	7.275%	2.60%	3	5.00%
2017	7.40%	7.40%	2.775%	4	5.00%
2016	7.50%	7.50%	2.875%	4	5.00%
2015	7.50%	7.50%	2.875%	4	5.00%
<b>Municipal Police Employees' Retirement System of Louisiana:</b>					
2022	6.75%	6.75%	2.50%	4	4.70-12.30%
2021	6.75%	6.75%	2.50%	4	4.70-12.30%
2020	6.95%	6.95%	2.50%	4	4.70-12.30%
2019	7.13%	7.13%	2.50%	4	4.25-9.75%
2018	7.20%	7.20%	2.60%	4	4.25-9.75%
2017	7.325%	7.325%	2.70%	4	4.25-9.75%
2016	7.50%	7.50%	2.875%	4	4.25-9.75%
2015	7.50%	7.50%	2.875%	4	4.25-9.75%
<b>Firefighters' Retirement System of Louisiana:</b>					
2022	6.90%	6.90%	2.50%	7	5.2-14.10%
2021	6.90%	6.90%	2.50%	7	5.2-14.10%
2020	7.00%	7.00%	2.50%	7	5.2-14.10%
2019	7.15%	7.15%	2.50%	7	4.5-14.75%
2018	7.30%	7.30%	2.70%	7	4.75-15.0%
2017	7.40%	7.40%	2.775%	7	4.75-15.0%
2016	7.50%	7.50%	2.875%	7	4.75-15.0%
2015	7.50%	7.50%	2.875%	7	4.75-15.0%

(continued)

CITY OF OPELOUSAS, LOUISIANA

Notes to Required Supplementary Information (Continued)

*					
Year ended	Discount	Investment	Inflation	Expected	Projected
August 31,	Rate	Rate	Rate	Remaining	Salary
		of Return		Service Lives	Increase
<b>Louisiana State Employees' Retirement System:</b>					
2022	7.25%	7.25%	2.30%	2	2.6-13.8%
2021	7.40%	7.40%	2.30%	2	2.6-13.8%
2020	7.55%	7.55%	2.30%	2	2.6-13.8%
2019	7.60%	7.60%	2.50%	2	2.8-14.0%
2018	7.65%	7.65%	2.75%	3	3.8-12.8%
2017	7.70%	7.70%	2.750%	3	3.8-12.8%
2016	7.75%	7.75%	3.000%	3	4.0-13.0%
2015	7.75%	7.75%	3.000%	3	4.0-13.0%

\* The amounts presented have a measurement date of June 30th of each fiscal year end.

**OTHER SUPPLEMENTARY INFORMATION**

## **OTHER FINANCIAL INFORMATION**

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

#### **Louisiana Community Development Block Grant (LCDBG) Fund**

Accounts for monies reimbursed from the Louisiana Community Development Block Grant for street improvements.

#### **Police Department Detective Fund**

Accounts for monies transferred from the General Fund to be used for detective investigation.

#### **Emergency Shelter Grant Fund**

Accounts for funds received from the State of Louisiana Department of Social Services for the purpose of rehabilitation and operations of the New Life Center and Light House Mission.

#### **Police Witness Fee Fund**

Accounts for monies transferred from the General Fund to be used for witness fees.

#### **Police Seized Fund**

Accounts for monies received when drug assets are made and money is seized.

#### **Industrial Park Fund**

Accounts for funds received from the sale of land, lease income, or rental income in the City's Industrial Park. The funds received are not restricted.

#### **Myrtle Grove Cemetery Fund**

Accounts for funds received from the sale of lots in Myrtle Grove Cemetery. These funds are used for the operating and capital expenditures for the Cemetery.

### DEBT SERVICE FUND

#### **Local Assessment Fund**

Accumulates monies for payment of Paving Certificates, Series 1996 of \$71,049. The Paving Certificates were retired by assessments on the real properties along those applicable portions of streets within corporate limits.

### CAPITAL PROJECTS FUNDS

#### **Capital Projects Fund**

To account for excess monies from CLECO settlement and other sources designated to be used for operating transfers to other funds as designated by management.

#### **1995 Capital Projects Fund**

To account for the expenditures associated with the acquisition of equipment and improving of public buildings financed by Certificates of Indebtedness, Series 1995.

CITY OF OPELOUSAS, LOUISIANA  
Nonmajor Governmental Funds

Combining Balance Sheet  
August 31, 2022

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and cash equivalents	\$ 22,455	\$ 39,878	\$ -	\$ 62,333
Due from other funds	20,338	-	289	20,627
TOTAL ASSETS	\$ 42,793	\$ 39,878	\$ 289	\$ 82,960
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ 5	\$ -	\$ -	\$ 5
Fund balances:				
Restricted - debt service	-	39,878	-	39,878
Assigned - public safety	31,307	-	-	31,307
Assigned - health and welfare	11,481	-	-	11,481
Assigned - capital expenditures	-	-	289	289
Total fund balances	42,788	39,878	289	82,955
TOTAL LIABILITIES AND FUND BALANCES	\$ 42,793	\$ 39,878	\$ 289	\$ 82,960

CITY OF OPELOUSAS, LOUISIANA  
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended August 31, 2022

	Special Revenue	Debt Service	Capital Projects	Total
Revenues:				
Intergovernmental	\$ 1,358	\$ -	\$ -	\$ 1,358
Interest	<u>121</u>	<u>218</u>	<u>-</u>	<u>339</u>
Total revenues	1,479	218	-	1,697
Expenditures:				
Current -				
Public safety	<u>3,173</u>	<u>-</u>	<u>-</u>	<u>3,173</u>
Excess (deficiency) of revenues over expenditures	(1,694)	218	-	(1,476)
Other financing sources (uses):				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Net change in fund balances	(1,694)	218	1	(1,475)
Fund balance, beginning	<u>44,482</u>	<u>39,660</u>	<u>288</u>	<u>84,430</u>
Fund balance, ending	<u>\$42,788</u>	<u>\$39,878</u>	<u>\$ 289</u>	<u>\$82,955</u>

## **INTERNAL SERVICE FUNDS**

### **Internal Service Fund A**

Accounts for the billing to various funds and the payment for automobile claims. This fund also accounts for the monies held in a claims account for self-insurance purposes in connection with the above coverage.

### **Internal Service Fund G**

Accounts for the billing to various funds and the payment of general liability claims. This fund also accounts for the monies held in a claims account for self-insurance purposes in connection with the above coverage.

### **Workmen's Compensation Fund**

Accounts for the billing to the various funds and the payment of insurance premiums for workmen's compensation coverage. This fund also accounts for the monies held in a claims account for the self-insured portion of each claim for the above coverage.

### **Health Self-Insurance Fund**

Accounts for the collection of health insurance premiums and the payment of individual claims.

CITY OF OPELOUSAS, LOUISIANA

Combining Statement of Net Position  
Internal Service Funds  
August 31, 2022

	Internal Service Fund A	Internal Service Fund G	Workmen's Compensation Fund	Health Self Insurance Fund	Total
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ -	\$ 1,155	\$ 55,719	\$ 879,409	\$ 936,283
Due from other funds	323,362	-	265,269	-	588,631
Prepaid items	<u>6,663</u>	<u>14,362</u>	<u>-</u>	<u>-</u>	<u>21,025</u>
Total current assets	<u>330,025</u>	<u>15,517</u>	<u>320,988</u>	<u>879,409</u>	<u>1,545,939</u>
 Total assets	 <u>\$ 330,025</u>	 <u>\$ 15,517</u>	 <u>\$ 320,988</u>	 <u>\$ 879,409</u>	 <u>\$ 1,545,939</u>
LIABILITIES AND NET POSITION					
LIABILITIES					
Accounts payable	\$ 24,621	\$ 68,580	\$ -	\$ 82,750	\$ 175,951
Claims payable	-	1,323,500	-	546,309	1,869,809
Due to other funds	<u>-</u>	<u>776,124</u>	<u>-</u>	<u>58,602</u>	<u>834,726</u>
 Total liabilities	 <u>24,621</u>	 <u>2,168,204</u>	 <u>-</u>	 <u>687,661</u>	 <u>2,880,486</u>
NET POSITION					
Restricted for insurance claims	-	-	320,988	-	320,988
Unrestricted	<u>305,404</u>	<u>(2,152,687)</u>	<u>-</u>	<u>191,748</u>	<u>(1,655,535)</u>
Total net position	<u>305,404</u>	<u>(2,152,687)</u>	<u>320,988</u>	<u>191,748</u>	<u>(1,334,547)</u>
 Total liabilities and net position	 <u>\$ 330,025</u>	 <u>\$ 15,517</u>	 <u>\$ 320,988</u>	 <u>\$ 879,409</u>	 <u>\$ 1,545,939</u>

CITY OF OPELOUSAS, LOUISIANA

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Internal Service Funds  
For the Year Ended August 31, 2022

	Internal Service Fund A	Internal Service Fund G	Workmen's Compensation Fund	Health Self Insurance Fund	Total
Operating revenues:					
Premiums	\$ 402,715	\$ 365,547	\$ 399,199	\$ 1,695,144	\$ 2,862,605
Miscellaneous	-	68,558	-	142,288	210,846
Total operating revenues	<u>402,715</u>	<u>434,105</u>	<u>399,199</u>	<u>1,837,432</u>	<u>3,073,451</u>
Operating expenses:					
Claims	-	67,002	531,685	2,131,577	2,730,264
Insurance	216,216	419,544	-	847,255	1,483,015
Administrative and other	3,000	6,000	10,000	78,562	97,562
Total operating expenses	<u>219,216</u>	<u>492,546</u>	<u>541,685</u>	<u>3,057,394</u>	<u>4,310,841</u>
Operating income (loss)	183,499	(58,441)	(142,486)	(1,219,962)	(1,237,390)
Nonoperating revenues:					
Investment income	<u>353</u>	<u>-</u>	<u>35</u>	<u>1,164</u>	<u>1,552</u>
Income (loss) before operating transfers	183,852	(58,441)	(142,451)	(1,218,798)	(1,235,838)
Other financing sources (uses):					
Operating transfers in (out)	<u>2,165</u>	<u>(82,421)</u>	<u>103</u>	<u>2,256,664</u>	<u>2,176,511</u>
Change in net position	186,017	(140,862)	(142,348)	1,037,866	940,673
Net position, beginning	<u>119,387</u>	<u>(2,011,825)</u>	<u>463,336</u>	<u>(846,118)</u>	<u>(2,275,220)</u>
Net position, ending	<u>\$ 305,404</u>	<u>\$(2,152,687)</u>	<u>\$ 320,988</u>	<u>\$ 191,748</u>	<u>\$(1,334,547)</u>

CITY OF OPELOUSAS, LOUISIANA

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended August 31, 2022

	Internal Service Fund A	Internal Service Fund G	Workmen's Compensation Fund	Health Self Insurance Fund	Total
Cash flows from operating activities:					
Premiums received	\$ 402,715	\$ 366,611	\$ 399,199	\$ 1,695,144	\$ 2,863,669
Other receipts	-	68,558	-	142,288	210,846
General and administrative expenses paid	(3,000)	(6,000)	(10,000)	(78,562)	(97,562)
Claims paid	-	(67,002)	(531,685)	(1,837,838)	(2,436,525)
Insurance paid	<u>(193,960)</u>	<u>(397,316)</u>	<u>(3,265)</u>	<u>(764,505)</u>	<u>(1,359,046)</u>
Net cash provided (used) by operating activities	<u>205,755</u>	<u>(35,149)</u>	<u>(145,751)</u>	<u>(843,473)</u>	<u>(818,618)</u>
Cash flows from noncapital financing activities:					
Cash received from (paid to) other funds	<u>(206,108)</u>	<u>36,304</u>	<u>43,535</u>	<u>836,062</u>	<u>709,793</u>
Cash flows from investing activities:					
Interest earnings	<u>353</u>	<u>-</u>	<u>35</u>	<u>1,164</u>	<u>1,552</u>
Net increase (decrease) in cash and cash equivalents	-	1,155	(102,181)	(6,247)	(107,273)
Cash and cash equivalents, beginning of the year	<u>-</u>	<u>-</u>	<u>157,900</u>	<u>885,656</u>	<u>1,043,556</u>
Cash and cash equivalents, end of the year	<u>\$ -</u>	<u>\$ 1,155</u>	<u>\$ 55,719</u>	<u>\$ 879,409</u>	<u>\$ 936,283</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 183,499	\$ (58,441)	\$(142,486)	\$(1,219,962)	\$(1,237,390)
Adjustments to reconcile operating loss to net cash used by operating activities:					
Changes in assets and liabilities:					
Accounts receivable	-	1,064	-	-	1,064
Accounts payable	24,621	23,437	(3,265)	82,750	127,543
Claims payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>293,739</u>	<u>293,739</u>
Net cash provided (used) by operating activities	<u>\$ 205,755</u>	<u>\$ (35,149)</u>	<u>\$(145,751)</u>	<u>\$ (843,473)</u>	<u>\$ (818,618)</u>

CITY OF OPELOUSAS, LOUISIANA

Justice System Funding Schedule - Receiving Entity  
 As Required by Act 87 of the 2020 Regular Legislative Session  
 Cash Basis Presentation  
 For the Year Ended August 31, 2022

	First Six Month Period Ended <u>2/28/2022</u>	Second Six Month Period Ended <u>8/31/2022</u>
<b>Receipts From:</b>		
Opelousas City Court, Criminal Fines	\$ 13,542	\$ 16,393
Opelousas City Court, Criminal Costs/Fees	730	429
27th Judicial District Court, Asset Forfeitures	<u>-</u>	<u>1,358</u>
Total	<u>14,272</u>	<u>18,180</u>
Ending balance of amounts assessed but not received	<u>\$ -</u>	<u>\$ -</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 Julius Alsandor, Mayor  
and Members of the City Council  
City of Opelousas, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Opelousas, Louisiana (City), as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 22, 2023.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedules of findings and questioned costs as items 2022-001 and 2022-002 that we consider to be significant deficiencies.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

## **City of Opelousas, Louisiana's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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 City'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 City'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

Ville Platte, Louisiana  
February 22, 2023

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Of Counsel

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

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Victor R. Slaven, CPA\* - retired 2020  
Christine C. Doucet, CPA - retired 2022

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The Honorable Julius Alsandor, Mayor,  
and Members of the City Council  
City of Opelousas, Louisiana

### Report on Compliance for Each Major Federal Program

#### *Opinion on Each Major Federal Program*

We have audited the City of Opelousas, Louisiana's (City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended August 31, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2022.

#### *Basis for Opinion on Each Major Federal Program*

We conducted our audit on compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than from that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

**Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose; however, 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

Oberlin, Louisiana  
February 22, 2023

CITY OF OPELOUSAS, LOUISIANA

Schedule of Expenditures of Federal Awards  
For the Year Ended August 31, 2022

Federal Grantor / Pass-Through Grantor / Program Name	Assistance Listing Number	Disbursements/ Expenditures
<u>U.S. Environmental Protection Agency</u>		
Passed-through State of Louisiana Department of Environmental Quality: Clean Water State Revolving Fund Cluster - Capitalization Grants for Clean Water State Revolving Funds	66.458	\$ 127,724
Passed-through Louisiana Commission on Law Enforcement and Administration on Criminal Justice Edward Byrne Memorial Justice Assistance Grant Program	16.738	39,783
<u>U.S. Department of Treasury</u>		
Passed through the State of Louisiana Division of Administration Coronavirus State and Local Fiscal Recovery Funds - COVID-19	21.027	<u>2,942,361</u>
TOTAL FEDERAL EXPENDITURES		<u>\$3,109,868</u>

The accompanying notes are an integral part of this schedule.

CITY OF OPELOUSAS, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended August 31, 2022

(1) Basis of Accounting

The accompanying schedule of expenditures of federal awards (the schedule) presents the activity of all federal financial assistance programs of the City of Opelousas, Louisiana (the City). The City's reporting entity is defined in Note 1 to the financial statements for the year ended August 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

(2) Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City of Opelousas, Louisiana has not elected to use the 10 percent *de minimus* indirect cost rate as allowed under the Uniform Guidance.

(3) Subrecipients

The City provided no federal awards to subrecipients.

(4) Loan Balances

Loan balance outstanding at August 31, 2022 under the Capitalization Grants for Clean Water State Revolving Funds (66.458) was \$135,830.

CITY OF OPELOUSAS, LOUISIANA

Schedule of Findings and Questioned Costs  
For the Year Ended August 31, 2022

Part I. Summary of Auditor's Results

*Financial Statements*

1. Type of auditor's opinion issued on financial statements:

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental activities	Unmodified
Business-type activities	Unmodified
Major funds:	
General	Unmodified
Sales Tax Fund	Unmodified
Electric Light and Waterworks Fund	Unmodified
Sewer Fund	Unmodified
Aggregate remaining fund information	Unmodified

2. Internal control over financial reporting:

Material weakness(es) identified?	<u>        </u> yes	<u>  x  </u> no
Significant deficiency(ies) identified?	<u>  x  </u> yes	<u>        </u> no

3. Noncompliance material to the financial statements?

<u>        </u> yes	<u>  x  </u> no
---------------------	-----------------

*Federal Awards*

4. Internal control over major federal programs:

Material weakness(es) identified?	<u>        </u> yes	<u>  x  </u> no
Significant deficiency(ies) identified?	<u>        </u> yes	<u>  x  </u> no

5. Major programs and type of auditor's report issued:

<u>CFDA Number</u>	<u>Federal Agency and Name of Major Program</u>	<u>Type of Opinion</u>
21.027	<u>U.S. Department of Treasury</u> Coronavirus State and Local Fiscal Recovery Funds - COVID-19	Unmodified

6. Audit findings required to be reported in accordance with 2 CFR §200.516(a)?

<u>        </u> yes	<u>  x  </u> no
---------------------	-----------------

7. Threshold for distinguishing type A and B programs?

\$ 750,000

8. Qualified as a low-risk auditee?

<u>        </u> yes	<u>  x  </u> no
---------------------	-----------------

*Other*

9. Management letter issued?

<u>  x  </u> yes	<u>        </u> no
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CITY OF OPELOUSAS, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended August 31, 2022

Part II. Findings reported in accordance with Government Auditing Standards

A. Internal Control over Financial Reporting –

2022-001 Insufficient Deposit Account Balance

Fiscal year finding initially occurred: 2019

CONDITION: The City did not maintain a sufficient cash balance in its customer deposit bank account to adequately cover the customer deposit liability.

CRITERIA: Sound business practices require that sufficient cash balances must be maintained in a separate account to fully cover the customer meter deposit liability.

CAUSE: The cause of the condition is the result of cash flow constraints.

EFFECT: Failure to maintain a sufficient cash balance in its deposit account to fully cover the customer deposit liability may result in the City being unable to repay customer deposits timely.

RECOMMENDATION: The City should fully fund the customer meter deposit account and maintain a sufficient balance to fully cover the customer meter deposit liability at all times.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City has formulated and implemented a plan to fully fund the customer meter deposit account and ensure a sufficient balance is maintained to fully cover the customer meter deposit liability at all times.

2022-002 Late Payment of Invoices

Fiscal year finding initially occurred: 2022

CONDITION: During the year, the City paid several invoices after the due date resulting in late fees being assessed.

CRITERIA: Sound business practices require that obligations be paid timely and when due.

CAUSE: The cause of the condition is the result of payments being withheld due to cash flow constraints.

EFFECT: The failure to pay vendors timely could lead to late fees being assessed and increases the risk that vendors will cease doing business with the City.

RECOMMENDATION: It is recommended that the City process and pay invoices timely and by the due date to ensure no late fees will be assessed.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City will closely monitor all invoices received and disburse funds timely to avoid any late fees.

CITY OF OPELOUSAS, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended August 31, 2022

B. Compliance –

There were no findings reported under this section.

Part III. Findings and questioned costs for Federal Awards defined in the Uniform Guidance

There were no findings reported under this section.

**CORRECTIVE ACTION PLAN  
FOR CURRENT AUDIT FINDINGS**

**APPENDIX A**

JULIUS ALSANDOR  
MAYOR



105 NORTH MAIN ST.  
P.O. BOX 1879  
OPELOUSAS, LA 70571-1879  
(337) 948-2520  
FAX (337) 948-2593

## CORRECTIVE ACTION PLAN

U.S. Department of Treasury

The City of Opelousas, Louisiana respectfully submits the following corrective action plan for the year ended August 31, 2022.

Name and address of independent public accounting firm:

Kolder, Slaven, & Company, LLC  
434 East Main Street  
Ville Platte, LA 70586

Audit period: August 31, 2022

The findings from the August 31, 2022 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### FINDINGS – FINANCIAL STATEMENT AUDIT

#### 2022-001

#### SIGNIFICANT DEFICIENCY

*Recommendation:* The City did not maintain a sufficient cash balance in its customer deposit bank account to adequately cover the customer deposit liability. The City should fully fund the customer meter deposit account and maintain a sufficient balance to fully cover the customer meter deposit liability at all times.

*Action Taken:* The City has formulated and implemented a plan to fully fund the customer meter deposit account and ensure a sufficient balance is maintained to fully cover the customer meter deposit liability at all times.

#### BOARD OF ALDERMEN

MARVIN T. RICHARD, ALDERMAN AT LARGE • MILTON BATISTE III, DISTRICT A • DELITA R. BROUSSARD, DISTRICT B • CHARLES CUMMINGS, DISTRICT C  
SHERELL ROBERTS, DISTRICT D • CHASITY D. WARREN, DISTRICT E

*An Equal Opportunity/Affirmative Action Employer*

**2022-002**

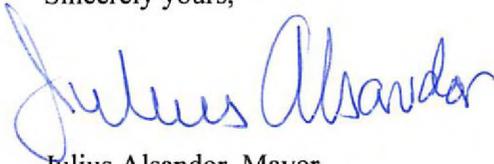
**SIGNIFICANT DEFICIENCY**

*Recommendation:* During the year, the City paid several invoices after the due date resulting in late fees being assessed. It is recommended that the City process and pay invoices timely and by the due date to ensure no late fees will be assessed.

*Action Taken:* The City will closely monitor all invoices received and disburse funds timely to avoid any late fees.

If the U.S. Department of Treasury has questions regarding this plan, please call Julius Alsandor, Mayor, at 337-948-2520.

Sincerely yours,

A handwritten signature in blue ink that reads "Julius Alsandor". The signature is written in a cursive style with a large initial "J".

Julius Alsandor, Mayor  
City of Opelousas, Louisiana

**SUMMARY SCHEDULE OF  
PRIOR AUDIT FINDINGS**

**APPENDIX B**

JULIUS ALSANDOR  
MAYOR



105 NORTH MAIN ST.  
P.O. BOX 1879  
OPELOUSAS, LA 70571-1879  
(337) 948-2520  
FAX (337) 948-2593

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Part I. Findings reported in accordance with *Government Auditing Standards*:

#### Internal Control over Financial Reporting –

##### **2021-001**     Purchasing Procedures

CONDITION: In our examination of the City's purchasing procedures, we found several instances in which a purchase order or check request was not obtained as required by the purchasing policy.

RECOMMENDATION: Management should comply with its written policies and procedures in the future and ensure purchase orders and/or check requests are obtained for all purchases in excess of the \$300 purchase order threshold.

CURRENT STATUS: Resolved.

##### **2021-002**     Timekeeping System

CONDITION: Employees of the City are utilizing the electronic timekeeping system as well as maintaining manual timesheets. These manual timesheets in many instances do not agree to the electronic timekeeping system.

RECOMMENDATION: Management should implement policies and procedures to reconcile manual timesheets with the electronic timecards to ensure employees are paid for actual time worked.

CURRENT STATUS: Resolved.

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SHERELL ROBERTS, DISTRICT D • CHASITY D. WARREN, DISTRICT E

*An Equal Opportunity/Affirmative Action Employer*

**2021-003**     Insufficient Deposit Account Balance

CONDITION: The City did not maintain a sufficient cash balance in its customer meter deposit bank account to adequately cover the customer deposit liability.

RECOMMENDATION: The City should fully fund the customer meter deposit account and maintain a sufficient balance to fully cover the customer meter deposit liability at all times.

CURRENT STATUS: Unresolved. See item 2022-001.

Compliance –

**2021-004**     Uncollateralized Deposits

CONDITION: The City had unsecured deposits of approximately \$301,707 at one financial institution at August 31, 2021.

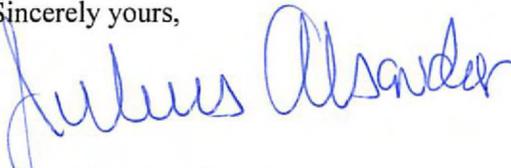
RECOMMENDATION: The City should implement control procedures to ensure deposits are adequately secured at all times as required by LA R.S. 39:1225.

CURRENT STATUS: Resolved.

Part II.     Findings and questioned costs for Federal Awards defined in the Uniform Guidance:

There were no findings to be reported under this section.

Sincerely yours,



Julius Alsandor, Mayor  
City of Opelousas, Louisiana

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Stephen J. Anderson, CPA\*  
Matthew E. Margaglio, CPA\*  
Casey L. Ardoin, CPA, CFE\*  
Wanda F. Arcement, CPA  
Bryan K. Joubert, CPA  
Nicholas Fowlkes, CPA  
Deidre L. Stock, CPA

---

C. Burton Kolder, CPA\*  
Of Counsel

---

Victor R. Slaven, CPA\* - retired 2020  
Christine C. Doucet, CPA – retired 2022

\* A Professional Accounting Corporation

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Lafayette, LA 70508 Baton Rouge, LA 70816  
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434 E. Main St. 332 W. Sixth Ave.  
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WWW.KSRCPAS.COM

## MANAGEMENT LETTER

The Honorable Julius Alsandor, Mayor  
and Members of the City Council  
City of Opelousas, Louisiana

We have completed our audit of the basic financial statements of the City of Opelousas, Louisiana for the year ended August 31, 2022, and submit the following recommendation for your consideration:

- (1) No payments have been received on outstanding ORECD program loans receivable in several years. Liens were filed against borrowers in past years. It is recommended that the City consult with legal counsel regarding options available to pursue collection of these past due balances.

In conclusion, we express our appreciation to you and your staff, particularly to your office staff, for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing our recommendations, please feel free to contact us.

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

Ville Platte, Louisiana  
February 22, 2023

**CITY OF OPELOUSAS, LOUISIANA**  
**Statewide Agreed-Upon Procedures Report**  
**Year Ended August 31, 2022**

# KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Julius Alsandor., Mayor  
and the Members of the City Council  
City of Opelousas, Louisiana  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period September 1, 2021 through August 31, 2022. City of Opelousas, Louisiana's management is responsible for those C/C areas identified in the SAUPs.

City of Opelousas, Louisiana has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period September 1, 2021 through August 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

*Written policies and procedures were obtained and do not address the functions noted above.*

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.

*Written policies and procedures were obtained and address the functions noted above.*

- c) **Disbursements**, including processing, reviewing, and approving.

*Written policies and procedures were obtained and address the functions noted above.*

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

*Written policies and procedures were obtained and address the functions noted above.*

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

*Written policies and procedures were obtained and do not address the functions noted above.*

- 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.

*Written policies and procedures were obtained; however, they do not address standard terms and conditions.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

*Written policies and procedures were obtained; however, they do not address required approvers of statements.*

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

*Written policies and procedures were obtained and address the functions noted above.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

*Written policies and procedures were obtained; however, they do not address the following items: actions to be taken if an ethics violation takes place, system to monitor possible ethics violations, and a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*Written policies and procedures were obtained and do not address the functions noted above.*

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*Written policies and procedures were obtained and do not address the functions noted above.*

- 1) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*Written policies and procedures were obtained; however, they do not address annual employee training and annual reporting.*

### ***Board or Finance Committee***

---

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*Obtained and reviewed minutes of the council meetings for the fiscal period noting that the council met on a frequency in accordance with the entity's organizational documents.*

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

*Obtained and reviewed the council minutes for the fiscal period noting that the minutes included monthly budget-to-actual comparisons on the general fund.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*Obtained and reviewed the prior year audit report noting a positive ending unassigned fund balance in the general fund.*

### ***Bank Reconciliations***

---

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

*Obtained a listing of entity bank accounts for the fiscal period and management's representation that the listing is complete.*

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

*Obtained and reviewed bank reconciliations noting that they were prepared within 2 months of the related statement closing date.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

*Obtained and reviewed bank reconciliations noting that they did not include evidence of review by a member management who does not handle cash, post ledgers, or issue checks.*

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*Management was unable to provide documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.*

#### ***Collections (excluding electronic funds transfers)***

---

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

*Obtained a listing of deposit sites for the fiscal period and management's representation that the listing is complete.*

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

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

*Observed that employees responsible for cash collections do not share the same cash drawers/registers.*

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

*Observed that employees responsible for collecting cash are not responsible for preparing/making bank deposits.*

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

*Observed that employees responsible for collecting cash are not responsible for posting cash collection entries to the general ledger.*

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

*Observed that employees responsible for reconciling cash collections to the general ledger are not responsible for collecting cash.*

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

*Obtained and reviewed a copy of the bond or insurance policy for theft covering all employees who have access to cash noting no exceptions.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and

- a) Observe that receipts are sequentially pre-numbered.  
*Observed that receipts are sequentially pre-numbered.*
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.  
*Traced sequentially pre-numbered receipts to the deposit slip noting no exceptions.*
- c) Trace the deposit slip total to the actual deposit per the bank statement.  
*Traced the deposit slip total to the actual deposit per the bank statement noting no exceptions.*
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).  
*Observed deposits selected for testing noting no exceptions.*
- e) Trace the actual deposit per the bank statement to the general ledger.  
*Traced the actual deposit per the bank statement to the general ledger noting no exceptions.*

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

---

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).  
*Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.*
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.  
*Observed that at least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.*
  - b) At least two employees are involved in processing and approving payments to vendors.  
*Observed that at least two employees are involved in processing and approving payments to vendors.*
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.  
*Observed that the employee responsible for processing payments is prohibited from adding/modifying vendor files.*
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.  
*Observed that the employee responsible for signing checks gives the signed checks to an employee to mail who is not responsible for processing payments.*

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

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

*Observed that the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables were received by the entity.*

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*No exceptions noted.*

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

---

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

*Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards and management's representation that the listing is complete.*

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

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

*Observed there is no evidence that the monthly statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder.*

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

*Observed that there were no finance charges or late fees assessed on the selected statements.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*It was noted that the transactions selected for testing did not include written documentation of the business/public purpose.*

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

---

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

*Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete.*

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*No exceptions noted regarding the functions above.*

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

*No exceptions noted regarding the functions above.*

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*Two out of the five reimbursements selected for testing lacked documentation that includes the names of those individuals participating in meal charges.*

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No exceptions noted regarding the functions above.*

### ***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

*Obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and management's representation that the listing is complete.*

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*No exceptions noted.*

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

*No exceptions noted.*

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

*No exceptions noted.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions noted.*

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

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Obtained related paid salaries and personnel files and agreed to authorized salaries/pay rates in the personnel files noting no exceptions.*

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

*Observed selected employees or officials documented daily attendance noting no exceptions.*

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

*Observed that for one out of the five employees selected for testing, their supervisor did not approve the attendance and leave records.*

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*Observed any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records noting no exceptions.*

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

*Observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file noting no exceptions.*

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

*No exceptions noted.*

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*Obtained management's representation that employer and employee portions of third-party related amounts have been paid, and any associated forms have been filed, by required deadlines.*

## ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain ethics documentation from management, and

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*For one out of the five randomly selected employees, there was no documentation available that demonstrates each employee/official completed one hour of ethics training during the fiscal period.*

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.

*There were no changes to the entity’s ethics policy during the fiscal period.*

## ***Debt Service***

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21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management’s representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

*Per discussion with management and review of the official minutes, there were no bonds/notes or other debt instruments issued during the fiscal period.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*No exceptions noted.*

## ***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Per discussion with management, there were no misappropriations of public funds and assets during the fiscal period.*

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

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

## ***Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

*Obtained and inspected the entity's most recent documentation that it has backed up its critical data and observed that a backup occurred within the past week noting no exceptions.*

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

*Obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored noting no exceptions. Observed that the test/verification has been successfully performed within the past 3 months noting no exceptions.*

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*Obtained a listing of the entity's computers currently in use and their related locations and management's representation that the listing is complete. No exceptions noted regarding the procedures above.*

## ***Sexual Harassment***

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26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

*No exceptions noted.*

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

*No exceptions noted.*

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

*No exceptions noted.*

### ***Management's Response***

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Management of the City of Opelousas, Louisiana concurs with the exceptions and are working to address the deficiencies identified.

We were engaged by the City of Opelousas, Louisiana to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of the City of Opelousas, Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

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

Ville Platte, Louisiana  
February 22, 2023