

**CITY OF MINDEN
EMPLOYEE BENEFIT PLAN & TRUST
EIN 72-6000902
PLAN #501**

**Financial Statements
March 31, 2021**



INDEPENDENT AUDITOR'S REPORT

To Trustees of City of Minden
Employee Benefit Plan & Trust

Report on the Financial Statements

We have audited the accompanying financial statements of City of Minden Employee Benefit Plan & Trust (the Plan), which comprise the statements of net assets available for benefits and of benefit obligations as of March 31, 2021 and 2020, and the related statement of changes in net assets available for benefits and of changes in benefit obligations for the year ended March 31, 2021, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of March 31, 2021 and 2020, and the changes in its financial status for the year ended March 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2021, on our consideration of the Plan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results on our audit.

Broussard and Company

October 22, 2021
Lake Charles, Louisiana

CITY OF MINDEN
EMPLOYEE BENEFIT PLAN & TRUST
EIN 72-6000902
Plan #501

Statements of Benefit Obligations and Net Assets
Available for Benefits
March 31,

	2021	2020
<u>BENEFIT OBLIGATIONS</u>		
Claims payable	\$ 93,487	\$ 37,263
Claims incurred but not reported	281,510	262,876
Total obligations other than postretirement benefit obligations	374,997	300,139
 <u>NET ASSETS</u>		
<u>ASSETS</u>		
Cash - interest bearing	460,542	385,087
Insurance company reimbursements receivable	11,680	-
Refunds receivable	23,181	-
TOTAL ASSETS	495,403	385,087
 <u>LIABILITIES</u>		
Cash overdraft	-	-
TOTAL ASSETS	-	-
 NET ASSETS AVAILABLE FOR BENEFITS	495,403	385,087
 <u>(DEFICIT) OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS</u>	\$ 120,406	\$ 84,948

See Notes to Financial Statements.

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Statement of Changes in Benefit Obligations
and Net Assets Available for Benefits
For the Year Ended March 31, 2021

NET INCREASE IN BENEFIT OBLIGATIONS

Increase (decrease) during the year attributable to:	
Claims payable	\$ 56,224
Claims incurred but not reported	18,634
	74,858
NET (DECREASE) IN BENEFIT OBLIGATIONS	74,858

NET INCREASE IN NET ASSETS AVAILABLE
FOR BENEFITS

Additions to plan assets attributable to:	
Sponsor contributions	2,139,531
Participants contributions	571,124
Retiree contributions	165,753
COBRA contributions	1,119
Specific insurance reimbursements	11,680
Miscellaneous	4,869
	2,894,076
TOTAL ADDITIONS	2,894,076

Deductions from plan assets attributable to:	
Benefits paid to participants	1,994,525
Payments for insurance premiums	728,778
Administrative expenses	60,457
	2,783,760

TOTAL DEDUCTIONS 2,783,760

NET (DECREASE) IN NET ASSETS
AVAILABLE FOR BENEFITS 110,316

(DECREASE) IN EXCESS OF NET ASSETS AVAILABLE
FOR BENEFITS OVER BENEFIT OBLIGATIONS 35,458

(DEFICIT) OF NET ASSETS AVAILABLE FOR BENEFITS
OVER BENEFIT OBLIGATIONS

BEGINNING OF YEAR 84,948

END OF YEAR \$ 120,406

See Notes to Financial Statements.

CITY OF MINDEN
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Notes to Financial Statements
March 31, 2021

Note 1 - Description of the Plan

The City of Minden Employee Benefit Plan & Trust provides medical, dental, vision, life and accidental death benefits covering substantially all employees. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The plan provides benefits (medical, hospital, surgical, major medical, dental, vision, life) that cover permanent, full-time employees and retired employees (and their covered dependents) of the city that choose to participate following the employee waiting period. The employee waiting period for all new employees is the first of the month following the first 31 days of full-time employment. The plan also provides continuation coverage as required by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) for qualified beneficiaries who would otherwise have lost coverage under the plan. Retired employees may elect to continue coverage within certain guidelines established under the Plan through a fully insured plan.

The plan provides benefits through a funding arrangement that includes a trust, which is funded by the plan sponsor and/or the participating employees, and with insurance to protect the plan against unpredictable excess claims. Under the plan agreement, the city contributes in cash to the plan in a manner and at such time determined by a committee, which is a plan fiduciary. Employees and retirees contribute to the plan in order to participate. The contribution is based on the coverage elected by the participants (i.e. single, family, etc.) and their participant class. Former members covered under COBRA make contributions to the plan for continuation of health coverage.

Medical benefits are provided on a partially self-insured basis for active participants, and are provided on a fully-insured basis for retirees effective June 30, 2013. The plan has purchased insurance contracts to protect the plan against excessive or unpredictable claims. The insurance contracts include specific loss provisions that cover claims in excess of \$145,000 for each individual covered under the medical plan. The insurance contracts also include aggregate loss provisions that cover the combined claims for all participants of the plan when the qualified claims for the plan year exceed a stated amount. The stated amount under the aggregate loss provisions was approximately \$2,371,358 at March 31, 2021.

Although it has not expressed the intent to do so, the city has the right to discontinue its contributions at any time and to terminate the plan subject to the provisions of ERISA. Funds contributed to the plan are irrevocably restricted for the use and provision of benefits to company employees.

The foregoing description of the plan provides only general information. Employees should refer to the Summary Plan Description & Plan Document for a more complete description of the plan's provisions.

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Notes to Financial Statements (Continued)
March 31, 2021

Note 2 - Summary of Significant Accounting Policies

Basis of accounting – The financial statements of the Plan are prepared under the accrual method of accounting.

Investment valuation and income recognition – Investments, if any, are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's trustees determine the plan's valuation policies utilizing information provided by the investment custodians.

Use of estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, benefit obligations, and changes therein; claims incurred but not reported; eligibility credits; claims payable; and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual Results could differ from those estimates.

Payment of benefits – Health claims and insurance premiums are reported when paid. Any refunds due to overpayments, subrogation, or adjustments are recorded in the period received and are shown netted with benefit payments.

Cash – Cash in the Plan consists of cash held in a noninterest-bearing bank account. Checks issued in excess of available balances are included in accounts payable and accrued liabilities. Claims of the Plan are handled by its third-party administrator, IMA. IMA pays all of the claims through an account held on behalf of the Plan.

Benefit obligations – Benefit claims currently payable include the Plan's liability for claims incurred and processed before March 31, 2021. The Plan's liability for claims incurred but not reported (IBNR) included claims incurred before March 31, 2021 but processed after March 31, 2021. Additional IBNR is estimated based on prior claims experience and the expected time period from the date claims are incurred to the date that the related claims are submitted and paid.

Note 3 - Fidelity Bonding Requirement

ERISA requires every fiduciary of an employee benefit plan and every person who handles funds of the plan to maintain fidelity bond coverage equal to 10% of the amount of plan assets. The trustee (fiduciary) does not maintain such a bond.

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Notes to Financial Statements (Continued)
March 31, 2021

Note 4 - Tax Status

The plan and trust is no longer pursuing tax exempt status. However, taxable income to the trust is defined in such a way that yields no tax liability for the current year. Accordingly, no tax liability or expense is reflected in the financial statements. The trust is current with all tax filings and has three open years subject to examination from federal authorities.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the trust may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended March 31, 2021.

Note 5 - Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Note 6 - Fair Value Measurements

The fair value of financial instruments classified as assets or liabilities, including cash, insurance contributions receivable, refunds receivable, and benefit obligations approximate carrying value, principally because of the short maturity of those items.

Note 7 - Concentration of Credit Risk

The Plan maintains a cash balance at a financial institution located in Minden, Louisiana. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At March 31, 2021, the Plan's bank balance did exceed the FDIC insurance limit by \$210,542.

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Notes to Financial Statements (Continued)
March 31, 2021

Note 8 - Subsequent Events

The Plan evaluated its March 31, 2021 financial statements for subsequent events through October 22, 2021, the date of which the financial statements were available to be issued. The Plan is not aware of any subsequent events which would require recognition or disclosure in the financial statements.



Broussard & Company
Certified Public Accountants

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

Trustees of the City of Minden Employee Benefit Plan & Trust
Minden, 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 City of Minden Employee Benefit Plan & Trust (the Plan), as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated October 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Broussard and Company

Lake Charles, Louisiana
October 22, 2021

City of Minden Employee Benefit Plan

Note: This schedule is required for all local auditees, including quasi-public entities.

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

Year Ended: March 31, 2021

Trustee: Michael Fluhr

Purpose	Amount
Salary	-
Benefits-insurance	-
Benefits-retirement	-
Benefits (other--list here)	-
Car allowance	-
Reimbursements (meals)	-
Travel (mileage, parking, tolls, taxi, etc)	-
Registration fees	-
Conference travel (air fare)	-
Housing / Hotel	-
FY TOTAL:	-

The City of Minden does not pay the Trustee's compensation.