

**CITY OF PATTERSON, LOUISIANA**

Financial Report

Year Ended June 30, 2022

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## INDEPENDENT AUDITORS' REPORT

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To the Honorable Rodney Grogan, Mayor  
and Members of the City Council  
City of Patterson, Louisiana

### *Report on the Audit of the Financial Statements*

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Patterson, Louisiana (hereinafter "City") as of and for the year ended June 30, 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.

#### *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 Auditors' 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.

## ***Auditors' 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 auditors' 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 on pages 63 through 65, schedule of changes in total OPEB liability and related ratios on page 66, schedule of employer's share of net pension liability on page 67, schedule of employer contributions on page 68, and notes to required supplementary information on pages 69 through 70 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who

considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are 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 justice system funding schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule is the responsibility of the City's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule 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 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 justice system funding schedule on page 72 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

The remaining supplementary information as listed in the table of contents are presented for purposes of additional analysis and are also not a required part of the basic financial statements. Such information is the responsibility of management. The schedules on pages 73 through 93 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 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.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
Certified Public Accountants

May 12, 2023  
Lafayette, Louisiana

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY OF PATTERSON, LOUISIANA**  
**Statement of Net Position**  
**June 30, 2022**

| ASSETS   | Governmental<br>Activities | Business-Type<br>Activities | Total                |
|--|----------------------------|-----------------------------|----------------------|
| Current Assets:                                    |                            |                             |                      |
| Cash   | \$ 1,281,645               | \$ 150,873                  | \$ 1,432,518         |
| Interest-Bearing Deposits                          | 2,727,564                  | 762,312                     | 3,489,876            |
| Investments, at Fair Value                         | 942,144                    | 335,564                     | 1,277,708            |
| Receivables, Net                                   | 286,533                    | 573,137                     | 859,670              |
| Due from Other Governmental Units                  | 83,362                     | -                           | 83,362               |
| Internal Balances                                  | 2,239,680                  | (2,239,680)                 | -                    |
| Prepaid Insurance                                  | 14,191                     | 18,325                      | 32,516               |
| Total Current Assets                               | <u>7,575,119</u>           | <u>(399,469)</u>            | <u>7,175,650</u>     |
| Noncurrent Assets:                                 |                            |                             |                      |
| Restricted Assets                                  | -                          | 480,800                     | 480,800              |
| Capital Assets:                                    |                            |                             |                      |
| Land and Construction in Progress                  | 727,106                    | 113,811                     | 840,917              |
| Depreciable, Net of Accumulated Depreciation       | <u>7,744,936</u>           | <u>7,735,580</u>            | <u>15,480,516</u>    |
| Total Noncurrent Assets                            | <u>8,472,042</u>           | <u>8,330,191</u>            | <u>16,802,233</u>    |
| Total Assets                                       | <u>16,047,161</u>          | <u>7,930,722</u>            | <u>23,977,883</u>    |
| Deferred Outflows of Resources Related to Pensions | <u>466,304</u>             | <u>187,154</u>              | <u>653,458</u>       |
| <b>LIABILITIES</b>                                 |                            |                             |                      |
| Current Liabilities:                               |                            |                             |                      |
| Bank overdraft                                     | 354,102                    | -                           | 354,102              |
| Accounts and Other Payables                        | 435,259                    | 289,938                     | 725,197              |
| Accrued Interest Payable                           | 29,727                     | -                           | 29,727               |
| Capital Lease Obligation, Current Portion          | 157,788                    | 12,188                      | 169,976              |
| Bonds Payable, Current Portion                     | <u>445,000</u>             | <u>-</u>                    | <u>445,000</u>       |
| Total Current Liabilities                          | <u>1,421,876</u>           | <u>302,126</u>              | <u>1,724,002</u>     |
| Noncurrent Liabilities:                            |                            |                             |                      |
| Customers' Deposits Payable                        | -                          | 480,800                     | 480,800              |
| Net Pension Liability                              | 807,109                    | 628,447                     | 1,435,556            |
| OPEB Liability                                     | 431,402                    | 221,864                     | 653,266              |
| Capital Lease Obligation, Net of Current Portion   | 186,226                    | 6,297                       | 192,523              |
| Bonds Payable, Net of Current Portion              | <u>4,140,000</u>           | <u>-</u>                    | <u>4,140,000</u>     |
| Total Noncurrent Liabilities                       | <u>5,564,737</u>           | <u>1,337,408</u>            | <u>6,902,145</u>     |
| Total Liabilities                                  | <u>6,986,613</u>           | <u>1,639,534</u>            | <u>8,626,147</u>     |
| Deferred Inflows of Resources Related to Pensions  | <u>487,121</u>             | <u>150,940</u>              | <u>638,061</u>       |
| <b>NET POSITION</b>                                |                            |                             |                      |
| Net Investment in Capital Assets                   | 3,543,028                  | 7,830,906                   | 11,373,934           |
| Restricted for:                                    |                            |                             |                      |
| Debt Service                                       | 1,903,680                  | -                           | 1,903,680            |
| Other Purposes                                     | 2,457,820                  | -                           | 2,457,820            |
| Unrestricted (Deficit)                             | <u>1,135,203</u>           | <u>(1,503,504)</u>          | <u>(368,301)</u>     |
| Total Net Position                                 | <u>\$ 9,039,731</u>        | <u>\$ 6,327,402</u>         | <u>\$ 15,367,133</u> |

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

**CITY OF PATTERSON, LOUISIANA**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

| Activities                                       | Expenses            | Program Revenues                         |  |  | Net (Expense) Revenues and<br>Changes in Net Position |                             | Total              |
|--|---------------------|--|--|--|---|-----------------------------|--------------------|
|  |                     | Fees, Fines, and<br>Charges for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                            | Business-Type<br>Activities |                    |
| <b>Governmental Activities</b>                   |                     |  |  |  |   |                             |                    |
| General Government                               | \$ 1,006,049        | \$ 385,003                               | \$ 7,953                                 | \$ -                                   | \$ (613,093)  | \$ -                        | \$ (613,093)       |
| Public Safety                                    |                     |  |  |  |   |                             |                    |
| Police   | 1,843,246           | 432,196                                  | 25,926                                   | -                                      | (1,385,124)   | -                           | (1,385,124)        |
| Fire   | 64,344              | -  | 42,194                                   | -                                      | (22,150)  | -                           | (22,150)           |
| Sanitation                                       | 534,143             | 544,075                                  | -  | -                                      | 9,932   | -                           | 9,932              |
| Streets and Drainage                             | 1,054,866           | 57,563                                   | 10,607                                   | 242,575                                | (744,121)   | -                           | (744,121)          |
| Culture and Recreation                           | 271,361             | 781                                      | -  | -                                      | (270,580)   | -                           | (270,580)          |
| Interest and Fiscal Charges<br>on Long Term Debt | 118,224             | -  | -  | -                                      | (118,224)   | -                           | (118,224)          |
| <b>Total Governmental Activities</b>             | <b>4,892,233</b>    | <b>1,419,618</b>                         | <b>86,680</b>                            | <b>242,575</b>                         | <b>(3,143,360)</b>                                    | <b>-</b>                    | <b>(3,143,360)</b> |
| <b>Business-Type Activities:</b>                 |                     |  |  |  |   |                             |                    |
| Utility Fund                                     | 3,327,669           | 3,014,809                                | 20,094                                   | -                                      | -   | (292,766)                   | (292,766)          |
| <b>Total</b>                                     | <b>\$ 8,219,902</b> | <b>\$ 4,434,427</b>                      | <b>\$ 106,774</b>                        | <b>\$ 242,575</b>                      | <b>(3,143,360)</b>                                    | <b>(292,766)</b>            | <b>(3,436,126)</b> |

(continued)

**CITY OF PATTERSON, LOUISIANA**  
**Statement of Activities (continued)**  
**For the Year Ended June 30, 2022**

|  | Net (Expense) Revenues and<br>Changes in Net Position |                             | Total         |
|--|---|-----------------------------|---------------|
|  | Governmental<br>Activities                            | Business-Type<br>Activities |               |
| General Revenues:  |   |                             |               |
| Taxes -  |   |                             |               |
| Property Taxes   | 605,788   | -                           | 605,788       |
| Sales and Use Taxes  | 2,404,761   | -                           | 2,404,761     |
| Other taxes  | 295,400   | -                           | 295,400       |
| Grants and Contributions Not Restricted to Specific Programs |   |                             |               |
| Federal Sources  | 1,094,858   | -                           | 1,094,858     |
| Local Sources  | 10,649  | -                           | 10,649        |
| Interest and Investment Earnings                             | 3,306   | -                           | 3,306         |
| Miscellaneous  | 139,118   | (668)                       | 138,450       |
| Transfers  | (61,135)  | 61,135                      | -             |
| Total General Revenues and Transfers                         | 4,492,745   | 60,467                      | 4,553,212     |
| Change in Net Position                                       | 1,349,385   | (232,299)                   | 1,117,086     |
| Net Position - June 30, 2021, as restated                    | 7,690,346   | 6,559,701                   | 14,250,047    |
| Net Position - June 30, 2022                                 | \$ 9,039,731  | \$ 6,327,402                | \$ 15,367,133 |

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

**FUND FINANCIAL STATEMENTS**

## **MAJOR FUNDS' DESCRIPTIONS**

### **GENERAL FUND**

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

### **SPECIAL REVENUE FUNDS**

#### **Sewerage and Solid Waste Sales Tax Fund**

To account for the receipt and use of proceeds of the City's ¾% sales and use tax. These taxes are dedicated to the construction, acquisition, extension, improvement, operation and maintenance of solid waste collection and disposal facilities.

#### **Ad Valorem Tax Collection Fund**

To account for the receipt of the City's general alimony and debt service ad valorem tax millages. Taxes collected under the general alimony millage of 8.30 mills are transferred to the General Fund and available for use in general governmental operations. Taxes collected under the debt service millage of 14.0 mills are transferred to the Public Improvement Bond Fund and are restricted for use in retirement of the City's general obligation debt.

### **ENTERPRISE FUND**

#### **Utility Fund**

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

**CITY OF PATTERSON, LOUISIANA**

**Balance Sheet**

**Governmental Funds**

**June 30, 2022**

|                                      | <u>General</u>      | <u>Sewerage and<br/>Solid Waste<br/>Sales Tax</u> | <u>Ad Valorem<br/>Tax<br/>Collection</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--------------------------------------|---------------------|---|--|---|---|
| <b>ASSETS</b>                        |                     |   |  |   |   |
| Cash                                 | \$ 261,103          | \$ 216,774  | \$ 346,050                               | \$ 457,718                              | \$ 1,281,645                            |
| Interest-Bearing Deposits            | 1,014,636           | 601,597   | 16,689                                   | 1,094,642                               | 2,727,564                               |
| Investments, at Fair Value           | -                   | 942,144   | -  | -                                       | 942,144                                 |
| Receivables -                        |                     |   |  |   |   |
| Taxes                                | 136,658             | 76,916  | 3,252                                    | -                                       | 216,826                                 |
| Property Assessments                 | -                   | -   | -  | 6,628                                   | 6,628                                   |
| Other                                | 62,427              | 184   | 228                                      | 239                                     | 63,078                                  |
| Due from Other Governmental Units    | 60,607              | -   | -  | 22,755                                  | 83,362                                  |
| Due from Other Funds                 | 909,392             | 58,394  | 416,219                                  | 1,023,877                               | 2,407,882                               |
| Advances to Other Funds              | <u>1,500,000</u>    | <u>-</u>  | <u>-</u>                                 | <u>-</u>                                | <u>1,500,000</u>                        |
| Total Assets                         | <u>\$ 3,944,823</u> | <u>\$ 1,896,009</u>                               | <u>\$ 782,438</u>                        | <u>\$ 2,605,859</u>                     | <u>\$ 9,229,129</u>                     |
| <b>LIABILITIES AND FUND BALANCES</b> |                     |   |  |   |   |
| <b>Liabilities</b>                   |                     |   |  |   |   |
| Cash Overdraft                       | \$ 354,102          | \$ -  | \$ -                                     | \$ -                                    | \$ 354,102                              |
| Accounts Payable                     | 358,790             | 1,590   | 12,037                                   | 828                                     | 373,245                                 |
| Accrued Liabilities                  | 62,014              | -   | -  | -                                       | 62,014                                  |
| Unearned Revenues                    | -                   | -   | -  | 6,628                                   | 6,628                                   |
| Due to Other Funds                   | <u>431,381</u>      | <u>24,139</u>                                     | <u>770,401</u>                           | <u>442,281</u>                          | <u>1,668,202</u>                        |
| Total Liabilities                    | <u>1,206,287</u>    | <u>25,729</u>                                     | <u>782,438</u>                           | <u>449,737</u>                          | <u>2,464,191</u>                        |
| <b>Fund Balances</b>                 |                     |   |  |   |   |
| Nonspendable                         | 1,500,000           | -   | -  | -                                       | 1,500,000                               |
| Restricted                           | -                   | 1,870,280   | -  | 2,492,493                               | 4,362,773                               |
| Unassigned (Deficit)                 | <u>1,238,536</u>    | <u>-</u>  | <u>-</u>                                 | <u>(336,371)</u>                        | <u>902,165</u>                          |
| Total Fund Balances                  | <u>2,738,536</u>    | <u>1,870,280</u>                                  | <u>-</u>                                 | <u>2,156,122</u>                        | <u>6,764,938</u>                        |
| Total Liabilities and Fund Balances  | <u>\$ 3,944,823</u> | <u>\$ 1,896,009</u>                               | <u>\$ 782,438</u>                        | <u>\$ 2,605,859</u>                     | <u>\$ 9,229,129</u>                     |

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

**CITY OF PATTERSON, LOUISIANA**  
**Reconciliation of Total Governmental Fund Balance to Net Position**  
**of Governmental Activities**  
**June 30, 2022**

Total fund balances for governmental funds at June 30, 2022 \$ 6,764,938

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

Property assessments in governmental funds are not considered financial resources until collected. 6,628

Expenses paid during the year but attributable to periods after the current year (primarily insurance) are recorded as prepaid expenses in the statement of net position. 14,192

Deferred outflows of resources related to net pension liability are not available resources and, therefore are not reported in the funds 466,304

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

|                                |                    |           |
|--------------------------------|--------------------|-----------|
| Cost of capital assets         | 14,802,940         |           |
| Less: Accumulated depreciation | <u>(6,330,898)</u> | 8,472,042 |

Long-term liabilities, including bonds and certificates payable in the current period, are not reported as liabilities in the funds.

|                                  |                  |             |
|----------------------------------|------------------|-------------|
| Bonds and certificates payable   | (4,585,000)      |             |
| Accrued interest payable         | (29,727)         |             |
| Capital lease obligation payable | (344,014)        |             |
| OPEB liability                   | (431,402)        |             |
| Net pension liability            | <u>(807,109)</u> | (6,197,252) |

Deferred inflows of resources related to net pension liability are not payable from current expendable resources and, therefore, are not reported in the funds (487,121)

Total net position of governmental activities at June 30, 2022 \$ 9,039,731

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

**CITY OF PATTERSON, LOUISIANA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2022**

|  | General            | Sewerage and<br>Solid Waste<br>Sales Tax | Ad Valorem<br>Tax<br>Collection | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|--------------------|--|---------------------------------|--------------------------------|--------------------------------|
| <b>Revenues:</b>                                     |                    |  |                                 |                                |                                |
| Taxes  | \$ 1,807,569       | \$ 892,592                               | \$ 605,768                      | \$ -                           | \$ 3,305,929                   |
| Licenses and Permits                                 | 229,130            | -  | -                               | -                              | 229,130                        |
| Intergovernmental                                    | 1,245,872          | -  | -                               | 284,769                        | 1,530,641                      |
| Charges for Services                                 | 758,291            | -  | -                               | -                              | 758,291                        |
| Fines and Forfeits                                   | 295,230            | -  | -                               | -                              | 295,230                        |
| Miscellaneous  | 114,349            | 1,112                                    | 25,385                          | 1,598                          | 142,444                        |
| Total Revenues                                       | <u>4,450,441</u>   | <u>893,704</u>                           | <u>631,153</u>                  | <u>286,367</u>                 | <u>6,261,665</u>               |
| <b>Expenditures:</b>                                 |                    |  |                                 |                                |                                |
| <b>Current -</b>                                     |                    |  |                                 |                                |                                |
| General Government                                   | 1,027,609          | -  | 23,300                          | 78                             | 1,050,987                      |
| <b>Public Safety:</b>                                |                    |  |                                 |                                |                                |
| Police   | 1,952,496          | -  | -                               | -                              | 1,952,496                      |
| Fire   | 63,098             | -  | -                               | 1,246                          | 64,344                         |
| Sanitation   | 534,143            | -  | -                               | -                              | 534,143                        |
| Culture and Recreation                               | 224,643            | -  | -                               | -                              | 224,643                        |
| Streets and Drainage                                 | 965,218            | -  | -                               | -                              | 965,218                        |
| Capital Outlay                                       | 787,648            | -  | -                               | 444,098                        | 1,231,746                      |
| <b>Debt Service -</b>                                |                    |  |                                 |                                |                                |
| Principal Retirement                                 | 99,186             | -  | -                               | 455,763                        | 554,949                        |
| Interest and Fiscal Charges                          | 14,072             | -  | -                               | 104,542                        | 118,614                        |
| Total Expenditures                                   | <u>5,668,113</u>   | <u>-</u>                                 | <u>23,300</u>                   | <u>1,005,727</u>               | <u>6,697,140</u>               |
| Excess (Deficiency) of Revenues Over<br>Expenditures | <u>(1,217,672)</u> | <u>893,704</u>                           | <u>607,853</u>                  | <u>(719,360)</u>               | <u>(435,475)</u>               |

(continued)

**CITY OF PATTERSON, LOUISIANA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)**  
**Governmental Funds**  
**Year Ended June 30, 2022**

|                                      |                     |                     |                  |                     |                     |
|--------------------------------------|---------------------|---------------------|------------------|---------------------|---------------------|
| Other Financing Sources (Uses):      |                     |                     |                  |                     |                     |
| Proceeds from Capital Lease          | 180,335             | -                   | -                | -                   | 180,335             |
| Operating Transfers In               | 1,193,066           | -                   | -                | 625,676             | 1,818,742           |
| Operating Transfers Out              | <u>(51,709)</u>     | <u>(1,097,159)</u>  | <u>(607,853)</u> | <u>(123,156)</u>    | <u>(1,879,877)</u>  |
| Total Other Financing Sources (Uses) | <u>1,321,692</u>    | <u>(1,097,159)</u>  | <u>(607,853)</u> | <u>502,520</u>      | <u>119,200</u>      |
| Net Change in Fund Balances          | 104,020             | (203,455)           | -                | (216,840)           | (316,275)           |
| Fund Balances, Beginning             | <u>2,634,516</u>    | <u>2,073,735</u>    | <u>-</u>         | <u>2,372,962</u>    | <u>7,081,213</u>    |
| Fund Balances, Ending                | <u>\$ 2,738,536</u> | <u>\$ 1,870,280</u> | <u>\$ -</u>      | <u>\$ 2,156,122</u> | <u>\$ 6,764,938</u> |

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

**CITY OF PATTERSON, LOUISIANA**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities:**

**Year Ended June 30, 2022**

|   |                     |
|---|---------------------|
| Total net changes in fund balances at June 30, 2022, per statement of revenues expenditures and changes in fund balances  | \$ (316,275)        |
| The change in net position reported for governmental activities in the statement of activities is different because:  |                     |
| Governmental funds report capital outlay 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 statement of revenues, expenditures and changes in fund balances   | 1,231,747           |
| Depreciation expense for the year ended June 30, 2022   | (444,052)           |
| Proceeds from bonds and capital leases are considered as an other financing source on the fund statements   | (180,335)           |
| Bond principal repayments and capital lease payments are considered as an expenditure on the fund statement   | 554,949             |
| Effect of recording OPEB expense  | 381,313             |
| Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability  |                     |
| Decrease in pension expense   | 84,749              |
| Nonemployer pension contribution revenue  | 41,086              |
| Some expenses reported in the statement of activities, such as compensated absences and accrued interest expense, do not require the use of current financial resources and are not reported as expenditures in governmental funds. | <u>(3,797)</u>      |
| Total changes in net position at June 30, 2022 per statement of activities  | <u>\$ 1,349,385</u> |

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

**CITY OF PATTERSON, LOUISIANA**  
**Statement of Net Position**  
**Proprietary Fund**  
**June 30, 2022**

|   | <u>Utility<br/>Fund</u> |
|---|-------------------------|
| <b>ASSETS</b>                                   |                         |
| Current assets:                                 |                         |
| Cash  | \$ 150,873              |
| Interest-Bearing Deposits                       | 762,312                 |
| Investments                                     | 335,564                 |
| Receivables                                     |                         |
| Customer Accounts Receivable, Net               | 566,677                 |
| Accrued Interest Receivable                     | 76                      |
| Other   | 6,384                   |
| Due from Other Funds                            | 92,442                  |
| Prepaid Insurance                               | <u>18,325</u>           |
| Total Current Assets                            | <u>1,932,653</u>        |
| Noncurrent Assets:                              |                         |
| Restricted Assets -                             |                         |
| Cash  | 340,525                 |
| Interest-bearing Deposits                       | 140,275                 |
| Capital Assets, Net of Accumulated Depreciation | <u>7,849,391</u>        |
| Total Noncurrent Assets                         | <u>8,330,191</u>        |
| Total Assets                                    | <u>10,262,844</u>       |
| Deferred Outflows of Resources From Pensions    | <u>187,154</u>          |
|   | (continued)             |

**CITY OF PATTERSON, LOUISIANA**  
**Statement of Net Position (continued)**  
**Proprietary Fund**  
**June 30, 2022**

|  | <u>Utility<br/>Fund</u> |
|--|-------------------------|
| <b>LIABILITIES</b>                               |                         |
| Current Liabilities:                             |                         |
| Accounts Payable                                 | \$ 249,004              |
| Accrued Liabilities                              | 40,934                  |
| Capital Lease Obligation, Current Portion        | 12,188                  |
| Due to Other Funds                               | <u>832,122</u>          |
| Total Current Liabilities                        | <u>1,134,248</u>        |
| Noncurrent Liabilities:                          |                         |
| Capital Lease Obligation, Net of Current Portion | 6,297                   |
| Advances From Other Funds                        | 1,500,000               |
| OPEB Liability                                   | 221,864                 |
| Net Pension Liability                            | 628,447                 |
| Payable from Restricted Assets -                 |                         |
| Customers' Meter Deposits Payable                | <u>480,800</u>          |
| Total Noncurrent Liabilities                     | <u>2,837,408</u>        |
| Total Liabilities                                | <u>3,971,656</u>        |
| Deferred Inflows of Resources From Pensions      | <u>150,940</u>          |
| <b>NET POSITION</b>                              |                         |
| Net Investment in Capital Assets                 | 7,830,906               |
| Unrestricted (Deficit)                           | <u>(1,503,504)</u>      |
| Total Net Position                               | <u>\$ 6,327,402</u>     |

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

**CITY OF PATTERSON, LOUISIANA**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Fund**  
**Year Ended June 30, 2022**

|  | <u>Utility<br/>Fund</u> |
|--|-------------------------|
| Operating Revenues:                      |                         |
| Charges for Services -                   |                         |
| Gas Sales and Services                   | \$ 894,588              |
| Water Sales and Services                 | 1,261,967               |
| Sewerage Service                         | 643,764                 |
| Delinquent Charges                       | 70,054                  |
| Commissions, Transfers and Reconnections | 36,584                  |
| Miscellaneous                            | <u>127,946</u>          |
| Total Operating Revenues                 | <u>3,034,903</u>        |
| <br>Operating Expenses:                  |                         |
| Administrative                           | 840,320                 |
| Gas Department                           | 769,943                 |
| Water Department                         | 1,048,374               |
| Sewerage Department                      | 373,574                 |
| Depreciation                             | <u>295,458</u>          |
| Total Operating Expenses                 | <u>3,327,669</u>        |
| Operating Loss                           | <u>(292,766)</u>        |
| <br>Nonoperating Revenues (Expenses):    |                         |
| Interest Income                          | 1,193                   |
| Interest and Fiscal Charges              | <u>(1,861)</u>          |
| Total Nonoperating Revenues (Expenses)   | <u>(668)</u>            |
| Loss Before Transfers                    | (293,434)               |
| Transfers Out                            | (117,046)               |
| Transfers In                             | <u>178,181</u>          |
| Change in Net Position                   | (232,299)               |
| Net Position, Beginning                  | <u>6,559,701</u>        |
| Net Position, Ending                     | <u>\$ 6,327,402</u>     |

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

**CITY OF PATTERSON, LOUISIANA**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**Year Ended June 30, 2022**

|   | <u>Utility<br/>Fund</u> |
|---|-------------------------|
| Cash Flows from Operating Activities:                         |                         |
| Receipts from Customers                                       | \$ 2,954,851            |
| Payments to Suppliers   | (2,080,566)             |
| Payments to Employees   | <u>(966,971)</u>        |
| Net Cash Used by Operating Activities                         | <u>(92,686)</u>         |
| <br>Cash Flows from Noncapital Financing Activities:          |                         |
| Payments from Other Funds                                     | <u>170,922</u>          |
| <br>Cash Flows from Capital and Related Financing Activities: |                         |
| Acquisition of property, plant and equipment                  | (6,673)                 |
| Payments on Capital Lease Obligations                         | (11,667)                |
| Interest on Capital Lease Obligations                         | <u>(1,861)</u>          |
| Net Cash Used by Capital and Related Financing Activities     | <u>(20,201)</u>         |
| <br>Cash Flows from Investing Activities:                     |                         |
| Maturities of Investments and Interest-Bearing Deposits       | 687,063                 |
| Purchase of Investments and Interest-Bearing Deposits         | (687,105)               |
| Interest on Investments                                       | <u>1,046</u>            |
| Net Cash Provided by Investing Activities                     | <u>1,004</u>            |
| Net Increase in Cash and Equivalents                          | 59,039                  |
| <br>Cash and Equivalents, Beginning                           | <u>647,841</u>          |
| <br>Cash and Equivalents, Ending                              | <u>\$ 706,880</u>       |

(continued)

**CITY OF PATTERSON, LOUISIANA**  
**Statement of Cash Flows (continued)**  
**Proprietary Fund**  
**Year Ended June 30, 2022**

|   | <u>Utility<br/>Fund</u> |
|---|-------------------------|
| Reconciliation of Operating Loss to Net Cash Used by Operating Activities:        |                         |
| Operating Loss  | \$ (292,766)            |
| Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities: |                         |
| Depreciation  | 295,458                 |
| Pension Expense, Net of Nonemployer Contributions                                 | (74,824)                |
| OPEB Expense  | (107,092)               |
| Changes in Assets and Liabilities:  |                         |
| Accounts Receivable   | (89,363)                |
| Other Receivables   | (288)                   |
| Accounts Payable  | 161,274                 |
| Accrued Liabilities   | 5,316                   |
| Customer Meter Deposits   | <u>9,599</u>            |
| Net Cash Used by Operating Activities   | <u>\$ (92,686)</u>      |
| Reconciliation of Cash and Equivalents to the Statement of Net Position:          |                         |
| Cash and Equivalents, Beginning   |                         |
| Cash and Interest-Bearing Deposits - Unrestricted                                 | \$ 863,699              |
| Less: Interest-Bearing Deposits that are Not Cash Equivalents                     | (546,784)               |
| Cash - Restricted   | <u>330,926</u>          |
| Total Cash and Equivalents  | <u>647,841</u>          |
| Cash and Equivalents, Ending  |                         |
| Cash and Interest-Bearing Deposits - Unrestricted                                 | 913,185                 |
| Less: Interest-Bearing Deposits that are Not Cash Equivalents                     | (546,830)               |
| Cash - Restricted   | <u>340,525</u>          |
| Total Cash and Equivalents  | <u>706,880</u>          |
| Net Increase in Cash and Equivalents  | <u>\$ 59,039</u>        |

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

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Patterson (“City”) was incorporated March 11, 1907, under the provisions of the Lawrason Act. The City operated under a Mayor-Board of Aldermen form of government until December 31, 1992 at which time the City adopted a Home Rule Charter and now operates under an elected Mayor-Council, administrative-legislative form of government. The City’s operations include police and fire protection, streets and drainage, parks and recreation, residential waste collection services, certain social services and general administration services. The City owns and operates an enterprise fund that provides gas, water, and sewer services.

The financial statements of The City of Patterson (“City”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to the accounting principles generally accepted in the United States of America applicable to state and local governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513, the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies of the City.

**A. Financial Reporting Entity**

Government Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, as amended, established criteria for determining which component units should be considered part of the City for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization’s governing body, and
  - a. The ability of the City to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if the data of the organization is not included because of the nature of or significance of the relationship.

Based on the aforementioned criteria, the City has no component units.

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Related Organizations

A related organization is an entity for which the primary government is not financially accountable even though the primary government may provide facilities and some financing or appoint a voting majority of the organization's governing board. Based on the foregoing criteria, the following organizations are considered related organizations to the City and have not been included in the reporting entity:

- *Housing Authority of the City of Patterson* - The Housing Authority of the City of Patterson is governed by a board appointed by the management of the City. However, the City's accountability for the housing authority does not extend beyond making the appointments.
- *Patterson Volunteer Fire Department* - The Patterson Volunteer Fire Department is governed by a group of volunteer citizens. The City provides facilities and some financing to the Volunteer Fire Department, but the Department is not fiscally dependent on the City. However, the City includes revenues received and expenditures paid for the Volunteer Fire Department as part of its general fund.

Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The City has entered into joint venture arrangements with other governmental entities for the operation of the Wards 5 and 8 Joint Sewer Commission. See Note 18 for further discussion of the City's relationship with the Wards 5 and 8 Joint Sewer Commission.

**B. Basis of Presentation**

*Government-Wide Financial Statements (GWFS)*

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

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and 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, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - continued**

*Fund Financial Statements*

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

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

The major funds of the City are described below:

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.

*Sewerage and Solid Waste Sales Tax Fund*

This fund is used to account for the receipt and use of proceeds of the City's  $\frac{3}{4}$ % sales and use tax. These taxes are dedicated to the construction, acquisition, extension, improvement, operation and maintenance of solid waste collection and disposal facilities.

*Ad Valorem Tax Collection Fund*

This fund is used to account for the receipt and distribution of the City's ad valorem taxes collected under its general alimony (8.30) and debt service (14.00) millages.

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - continued**

Proprietary Funds:

*Enterprise Fund*

The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses) 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 enterprise fund reported as a major fund in the fund financial statement is the Utility Fund.

The Utility Fund is used to account for the provision of gas, water and sewer services to the residents of the City and certain unincorporated areas surrounding the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to administration, operations, maintenance, financing and related debt service, and billing and collection of user charges.

**C. Measurement Focus/Basis of Accounting**

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

*Measurement Focus*

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

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

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

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Basis of Accounting*

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Activities present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The accounts of the City are in conformity with generally accepted accounting principles (GAAP).

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The City considers property tax revenue as available in the year following the assessment when the majority of the taxes are actually collected. Other major revenues susceptible to accrual are earned grant revenues, other intergovernmental revenues and interest revenue. The City reports unearned revenue on its balance sheet. Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period.

Unearned revenues also arise when resources are received by the City prior to the City incurring qualified expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

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

**Cash and Cash Equivalents**

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and time deposits of the City. Interest-bearing deposits are stated at cost, which approximates market.

For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments**

Under state law, the City may deposit funds with a fiscal agent 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 United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principle offices in Louisiana. In addition, 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 as determined by quoted market prices. If quoted market prices are not available, fair value is estimated by determining the fair value of investments possessing similar yield, maturity, and repayment and risk characteristics. At June 30, 2022, there were no investments whose fair values were required to be estimated.

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

**Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. These receivables and payables related to goods and services type transactions are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are reported as “interfund receivables and payables.” Long-term interfund loans are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

**Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and amounts due from others (including other governments) for goods or services provided for which payment has not yet been received. Business-type activities report customer’s utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the collectability of the particular receivable. The allowance for uncollectible customers’ utility receivables was \$180,012 at June 30, 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. The estimate for unbilled utility service receivables at June 30, 2022 was \$26,935.

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Assets**

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

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

|                                 |             |
|---------------------------------|-------------|
| Buildings                       | 40 years    |
| Infrastructure                  | 20-50 years |
| Utility system and improvements | 25 years    |
| Equipment                       | 5-7 years   |

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

**Restricted Assets**

Restricted assets include cash and interest-bearing deposits that are legally restricted as to their use. The City's restricted assets are related to its utility customer meter deposits.

**Long-term Debt**

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

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists of general obligation bonds payable, net pension liabilities and compensated absences payable.

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

**CITY OF PATTERSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Compensated Absences**

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation credits are earned by employees range from 5-22 days per year depending upon length of service. Vacation must be taken in the year earned and cannot be carried over. Sick leave does not accumulate and is not payable at termination of employment.

**Government-wide and Proprietary Fund Net Position**

*Government-wide Financial Statements*

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 – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional, provisional or enabling legislation.
- c. Unrestricted – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

*Fund Financial Statements*

Proprietary fund equity is classified the same as in the government-wide statements. Governmental fund equity is classified as fund balance. Fund balance for the City’s governmental funds is displayed depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. In the governmental fund financial statements, fund balances are classified as follows:

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

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- c. Committed – amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by City Council members.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City’s adopted policy, only the Mayor may assign amounts for specific purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers the restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council members or the Mayor has provided otherwise in its commitment or assignment actions.

**Revenues, Expenditures, and Expenses**

Operating Revenues and Expenses

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

Expenditures/Expenses

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

In the governmental funds’ financial statements, expenditures are classified by character. In the proprietary fund financial statements, expenditures are classified as operating or non-operating.

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. Capitalization of Interest Expense

It is the policy of the City to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets.

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

G. Pensions

For 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 positions of the Municipal Employees Retirement System (MERS) and Municipal Police Employees Retirement System (MPERS), and additions to/deductions from the retirement systems' net positions have been determined on the same basis as they are reported by the respective systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

H. Use of Estimates

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**(2) CASH, INTERESTING-BEARING DEPOSITS, AND INVESTMENTS**

A. Cash and 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 state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At June 30, 2022, the City has cash and interest-bearing deposits (book balances) totaling \$5,049,093, as follows:

|   |                     |
|---|---------------------|
| Demand deposits                         | \$ 1,418,941        |
| Money market accounts and time deposits | <u>3,630,151</u>    |
| Total                                   | <u>\$ 5,049,093</u> |

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 the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2022, were secured as follows:

**CITY OF PATTERSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**(2) CASH, INTERESTING-BEARING DEPOSITS, AND INVESTMENTS (Continued)**

|  |                     |
|--|---------------------|
| Bank balances  | <u>\$ 5,513,034</u> |
| Federal deposit insurance                              | \$ 500,000          |
| Pledged securities                                     | <u>6,183,564</u>    |
| Total federal deposit insurance and pledged securities | <u>\$ 6,683,564</u> |
| Excess   | <u>\$ 1,170,530</u> |

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 collateral securities that are in the possession of an outside party. The City does not have a policy to monitor or attempt to reduce exposure to custodial credit risk. At June 30, 2022, deposits in the amount of \$5,013,034 were exposed to custodial credit risk since the deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the City's name.

**B. Investments**

The City's policy does not further limit its investment choices beyond the restrictions imposed by state statute. State law allows the investment in direct United States Treasury obligations, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. Government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. Government; time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana; savings account or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporations.

At June 30, 2022, the City had the following investments and maturities (in years):

| Description                              | Category | Interest Rate | Fair Value          | Less Than 1 Year    |
|--|----------|---------------|---------------------|---------------------|
| <b>Governmental Activities:</b>          |          |               |                     |                     |
| United States Government-Securities Fund | N/A      | Various       | \$ 942,144          | \$ 942,144          |
| <b>Business-Type Activities:</b>         |          |               |                     |                     |
| United States Government-Securities Fund | N/A      | Various       | <u>335,564</u>      | <u>335,564</u>      |
|  |          |               | <u>\$ 1,277,708</u> | <u>\$ 1,277,708</u> |

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment. The City's investment policy conforms to state law, as described above, which has no provision for custodial credit risk. Investments in funds should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The City's investment is with the fund, not the securities that make up the fund; therefore, no disclosure is required.

**CITY OF PATTERSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**(2) CASH, INTERESTING-BEARING DEPOSITS, AND INVESTMENTS (Continued)**

Concentration of credit risk relates to the amount of investments in any one entity. The City's investments are excluded for the 5 percent disclosure requirement.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2022, the City had no investments with future maturities in excess of one year.

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The City invested only in obligations of federal or state agencies which are not rated. The type of investment allowed by state law ensures that the City is not exposed to credit risk.

In accordance with GASB Statement No. 31, the City recognizes the net increase (decrease) in the fair value of its investments. For the year ended June 30, 2022, the fair value of the City's investments increased \$558. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year.

Fair Value Measurements

The City measures and records its investments using fair value guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1 — quoted prices for identical investments in active markets
- Level 2 — observable inputs other than quoted market prices
- Level 3 — unobservable inputs

The City's investments in mutual funds are measured using quoted prices for identical investments in active markets (Level 1 inputs). The investments in mutual funds are valued using quoted market prices of the underlying investment on a recurring basis. The City's investments are redeemable on demand.

**(3) AD VALOREM TAXES**

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Mary Parish. City property tax revenues are budgeted in the year billed.

For the year ended June 30, 2022, taxes of 22.30 mills were levied on property with assessed valuations totaling \$27,373,193 and were dedicated as follows:

|                            |             |
|----------------------------|-------------|
| General corporate purposes | 8.30 mills  |
| Debt service               | 14.00 mills |

Total taxes levied were \$610,422. The amount of taxes receivable (net of allowance for uncollectible taxes of \$19,292) at June 30, 2022, was \$3,252.

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(4) INTERFUND TRANSACTIONS**

A. Receivables and Payables

Interfund receivables and payables at June 30, 2022, consisted of the following:

|   | Interfund<br>Receivables | Interfund<br>Payables |
|---|--------------------------|-----------------------|
| Governmental Activities:                |                          |                       |
| General Fund                            | \$ 909,392               | \$ 431,381            |
| Sewerage and Solid Waste Sales Tax Fund | 58,394                   | 24,139                |
| Ad Valorem Tax Collection Fund          | 416,219                  | 770,401               |
| Other nonmajor governmental funds       | 1,023,877                | 442,281               |
| Business-type Activities:               |                          |                       |
| Utility Fund                            | 92,442                   | 832,122               |
| Total                                   | \$ 2,500,324             | \$ 2,500,324          |
| Advances to/from other funds:           |                          |                       |
| General Fund                            | \$ 1,500,000             | \$ -                  |
| Utility Fund                            | -                        | 1,500,000             |
| Total advances to/from other funds      | \$ 1,500,000             | \$ 1,500,000          |

Interfund receivables and payables arise as a result of transactions between funds when there is an expectation that the disbursing fund will be repaid or reimbursed by the recipient fund.

B. Operating transfers

Transfers between funds for the year ended June 30, 2022, were:

|   | Transfers In | Transfers Out |
|---|--------------|---------------|
| Governmental Activities:                |              |               |
| General Fund                            | \$ 1,193,066 | \$ 51,709     |
| Sewerage and Solid Waste Sales Tax Fund | -            | 1,097,159     |
| Ad Valorem Tax Collection Fund          | -            | 607,853       |
| Other nonmajor governmental funds       | 625,676      | 123,156       |
| Business-type Activities:               |              |               |
| Utility Fund                            | 178,181      | 117,046       |
|   | \$ 1,996,923 | \$ 1,996,923  |

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 PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(5) RECEIVABLES**

Receivable balances at June 30, 2022, are as follows:

|                                    | Governmental Activities |  |                                 |   |                                |
|------------------------------------|-------------------------|--|---------------------------------|---|--------------------------------|
|                                    | General                 | Sewerage and<br>Solid Waste<br>Sales Tax | Ad Valorem<br>Tax<br>Collection | Other<br>Governmental<br>Funds              | Total<br>Governmental<br>Funds |
|                                    | Taxes                   | \$ 136,658                               | \$ 76,916                       | \$ 3,252                                    | \$ -                           |
| Property assessments               | -                       | -  | -                               | 6,628                                       | 6,628                          |
| Other                              |                         |  |                                 |   |                                |
| Accrued interest                   | 91                      | 184                                      | -                               | 228   | 503                            |
| Franchise fees                     | 60,115                  | -  | -                               | -   | 60,115                         |
| Other                              | <u>2,221</u>            | <u>-</u>                                 | <u>228</u>                      | <u>11</u>                                   | <u>2,460</u>                   |
| Total receivable                   | <u>\$ 199,085</u>       | <u>\$ 77,100</u>                         | <u>\$ 3,480</u>                 | <u>\$ 6,867</u>                             | <u>\$ 286,532</u>              |
|                                    |                         |  |                                 | Business-Type<br>Activities<br>Utility Fund |                                |
| Customer accounts                  |                         |  |                                 | \$ 746,689                                  |                                |
| Less: allowance for uncollectibles |                         |  |                                 | <u>(180,012)</u>                            |                                |
| Net customer accounts receivable   |                         |  |                                 | 566,677                                     |                                |
| Other receivables                  |                         |  |                                 | <u>6,460</u>                                |                                |
| Receivables, net                   |                         |  |                                 | <u>\$ 573,137</u>                           |                                |

**(6) DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units at June 30, 2022, consisted of the following:

Governmental Activities -

|  |                  |
|--|------------------|
| Beer taxes due from the State of Louisiana                                 | \$ 892           |
| Video poker receipts due from the State of Louisiana                       | 751              |
| Prisoner maintenance fees due from the State of Louisiana                  | 6,916            |
| Prisoner maintenance fees due from the St. Mary Parish Government          | 2,165            |
| Allocations for fire department activities from St. Mary Parish Government | 22,755           |
| Occupational licenses fees due from state and parish governments           | <u>49,883</u>    |
|  | <u>\$ 83,362</u> |

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(7) RESTRICTED ASSETS**

Restricted assets consisted of the following at June 30, 2022.

|                     |                   |
|---------------------|-------------------|
| Customers' deposits | <u>\$ 480,800</u> |
|---------------------|-------------------|

**(8) CAPITAL ASSETS**

Capital asset activity for the governmental activities for the year ended June 30, 2022, was as follows:

|   | Balance<br>6/30/2021 | Additions           | Deletions           | Balance<br>6/30/2022 |
|---|----------------------|---------------------|---------------------|----------------------|
| Governmental activities:                        |                      |                     |                     |                      |
| Capital assets not being depreciated            |                      |                     |                     |                      |
| Land  | \$ 462,326           | \$ 96,400           | \$ -                | \$ 558,726           |
| Construction in progress                        | 1,055,800            | 748,326             | 1,635,746           | 168,380              |
| Other capital assets:                           |                      |                     |                     |                      |
| Buildings                                       | 2,840,250            | 205,437             | -                   | 3,045,687            |
| Improvements other than buildings               | 51,316               | 331,118             | -                   | 382,434              |
| Equipment, furniture & fixtures                 | 4,031,598            | 181,785             | 96,952              | 4,116,431            |
| Infrastructure                                  | <u>5,226,854</u>     | <u>1,304,428</u>    | <u>-</u>            | <u>6,531,282</u>     |
| Totals  | <u>13,668,144</u>    | <u>2,867,494</u>    | <u>1,732,698</u>    | <u>14,802,940</u>    |
| Less accumulated depreciation                   |                      |                     |                     |                      |
| Buildings                                       | (1,572,980)          | (66,966)            | -                   | (1,639,946)          |
| Equipment, furniture & fixtures                 | (2,865,532)          | (232,369)           | 96,952              | (3,000,949)          |
| Infrastructure                                  | <u>(1,545,286)</u>   | <u>(144,717)</u>    | <u>-</u>            | <u>(1,690,003)</u>   |
| Total accumulated depreciation                  | <u>(5,983,798)</u>   | <u>(444,052)</u>    | <u>96,952</u>       | <u>(6,330,898)</u>   |
| Governmental activities,<br>capital assets, net | <u>\$ 7,684,346</u>  | <u>\$ 2,423,442</u> | <u>\$ 1,635,746</u> | <u>\$ 8,472,042</u>  |

Depreciation expense in the amount of \$444,052 was charged to governmental activities, of which \$148,165 relates to the City's capital leases.

Depreciation expense was charged to governmental activities as follows:

|                            |                   |
|----------------------------|-------------------|
| General government         | \$ 59,691         |
| Police                     | 93,644            |
| Fire                       | 91,145            |
| Streets and drainage       | 152,854           |
| Culture and recreation     | <u>46,718</u>     |
| Total Depreciation Expense | <u>\$ 444,052</u> |

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(8) CAPITAL ASSETS (Continued)**

Capital assets activity for the business-type activities for the year ended June 30, 2022, was as follows:

|  | Balance<br>6/30/2021 | Additions           | Deletions        | Balance<br>6/30/2022 |
|--|----------------------|---------------------|------------------|----------------------|
| Business-type activities:                        |                      |                     |                  |                      |
| Capital assets not being depreciated             |                      |                     |                  |                      |
| Land   | \$ 107,200           | \$ -                | \$ -             | \$ 107,200           |
| Construction in progress                         | 6,611                | -                   | -                | 6,611                |
| Other capital assets:                            |                      |                     |                  |                      |
| Gas distribution system                          | 2,085,535            | 5,675               | 20,260           | 2,070,950            |
| Water distribution system                        | 9,594,082            | 23,500              | 29,160           | 9,588,422            |
| Sewer treatment system                           | 5,943,985            | -                   | 22,500           | 5,921,485            |
| Machinery and equipment                          | 242,715              | -                   | 11,360           | 231,355              |
| Totals   | <u>17,980,128</u>    | <u>29,175</u>       | <u>83,280</u>    | <u>17,926,023</u>    |
| Less accumulated depreciation                    |                      |                     |                  |                      |
| Gas distribution system                          | (1,993,873)          | (28,416)            | 20,259           | (2,002,030)          |
| Water distribution system                        | (3,057,353)          | (173,247)           | 20,259           | (3,210,341)          |
| Sewer treatment system                           | (4,575,789)          | (92,324)            | 20,259           | (4,647,854)          |
| Machinery and equipment                          | (214,936)            | (1,471)             | -                | (216,407)            |
| Total accumulated depreciation                   | <u>(9,841,951)</u>   | <u>(295,458)</u>    | <u>60,777</u>    | <u>(10,076,632)</u>  |
| Business-type activities,<br>capital assets, net | <u>\$ 8,138,177</u>  | <u>\$ (266,283)</u> | <u>\$ 22,503</u> | <u>\$ 7,849,391</u>  |

Depreciation expense in the amount of \$295,458 was charged to business type activities, of which \$11,446 relates to the City's capital leases.

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

|                            |                   |
|----------------------------|-------------------|
| Administrative             | \$ 1,471          |
| Gas                        | 28,416            |
| Water                      | 173,247           |
| Sewer                      | 92,324            |
| Total Depreciation Expense | <u>\$ 295,458</u> |

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(9) CHANGES IN LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2022.

|   | Governmental Activities |            | Business-Type |
|---|-------------------------|------------|---------------|
|   | General Obligation      |            | Activities    |
|   | and Limited Tax         | Capital    | Capital       |
|   | Bonds                   | Leases     | Leases        |
| Bonds and capital leases payable, July 1, 2021  | \$ 5,010,000            | \$ 293,435 | \$ 30,152     |
| Bonds and capital leases issued                 | -                       | 180,335    | -             |
| Bonds and capital leases retired                | (425,000)               | (129,756)  | (11,667)      |
| Bonds and capital leases payable, June 30, 2022 | \$ 4,585,000            | \$ 344,014 | \$ 18,485     |
| Due within one year                             | \$ 445,000              | \$ 157,788 | \$ 12,188     |

Long-term debt outstanding at June 30, 2022, is comprised of the following individual issues:

General obligation and public improvement sales tax bonds

|   |              |
|---|--------------|
| \$5,000,000 General Obligation Bonds, Series 2020, due in annual installments of \$255,000 to \$340,000 through March 1, 2032; interest at 1.90 percent per annum, secured by levy and collection of ad valorem tax | \$ 2,935,000 |
| \$1,000,000 Limited Tax Bonds, Series 2015, due in annual installments of \$85,000 to \$95,000 through March 1, 2027; interest at 1.925 to 2.35 percent; secured by levy and collection of ad valorem taxes         | 450,000      |
| \$1,000,000 Limited Tax Bonds, Series 2018, due in annual installments of \$100,000 to \$115,000 through May 1, 2028; interest at 3.02 percent; secured by levy and collection of ad valorem taxes                  | 635,000      |
| \$570,000 Limited Tax Bonds, Series 2021, due in annual installments of \$5,000 to \$90,000 through March 1, 2033; interest at 2.0 percent; secured by levy and collection of ad valorem taxes                      | 565,000      |
| Total general obligation and public improvement sales tax bonds payable   | \$ 4,585,000 |

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(9) CHANGES IN LONG-TERM DEBT (Continued)**

The annual requirements to amortize all long-term debt outstanding as of June 30, 2022.

| Year Ending<br>June 30, | General<br>Obligation Bonds |                   | Limited<br>Tax Bonds |                   | Total               |                   |
|-------------------------|-----------------------------|-------------------|----------------------|-------------------|---------------------|-------------------|
|                         | Principal                   | Interest          | Principal            | Interest          | Principal           | Interest          |
| 2023                    | \$ 255,000                  | \$ 55,765         | \$ 190,000           | \$ 40,041         | \$ 445,000          | \$ 95,806         |
| 2024                    | 265,000                     | 50,920            | 190,000              | 35,140            | 455,000             | 86,060            |
| 2025                    | 270,000                     | 45,885            | 200,000              | 30,176            | 470,000             | 76,061            |
| 2026                    | 275,000                     | 40,755            | 205,000              | 24,927            | 480,000             | 65,682            |
| 2027                    | 285,000                     | 35,530            | 210,000              | 19,546            | 495,000             | 55,076            |
| 2028-2032               | 1,585,000                   | 92,530            | 565,000              | 38,213            | 2,150,000           | 130,743           |
| 2033                    | -                           | -                 | 90,000               | 1,737             | 90,000              | 1,737             |
|                         | <u>\$ 2,935,000</u>         | <u>\$ 321,385</u> | <u>\$ 1,650,000</u>  | <u>\$ 189,780</u> | <u>\$ 4,585,000</u> | <u>\$ 511,165</u> |

**Covenants/Restrictions:**

The various bond indentures contain significant limitations and restrictions as to annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various sinking funds. Resolutions concerning dedication of sales tax proceeds specify restrictions as to how the funds may be expended. The City is in compliance with all such significant limitations and restrictions at June 30, 2022.

Assets in assessment certificates funds are restricted for the retirement of any outstanding principal and interest remaining on the certificate's obligations. Assets remaining in these funds after the retirement of the outstanding obligations may be used only for the repair and maintenance of the streets improved from the proceeds of the original certificate issue.

**(10) GOVERNMENTAL FUND BALANCES**

As of June 30, 2022, governmental fund balances are comprised of the following:

|                             | General<br>Fund     | Sewerage and<br>Solid Waste<br>Sales Tax | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-----------------------------|---------------------|--|--------------------------------|--------------------------------|
| Nonspendable                |                     |  |                                |                                |
| Interfund advances          | \$ 1,500,000        | \$ -                                     | \$ -                           | \$ 1,500,000                   |
| Restricted                  |                     |  |                                |                                |
| Debt retirement             | -                   | -  | 1,173,452                      | 1,173,452                      |
| Capital expenditures        | -                   | -  | 1,140,116                      | 1,140,116                      |
| Sewerage and solid<br>waste | -                   | 1,870,280                                | -                              | 1,870,280                      |
| Street repairs              | -                   | -  | 178,925                        | 178,925                        |
| Unassigned (deficit)        | 1,238,536           | -  | (336,371)                      | 902,165                        |
|                             | <u>\$ 2,738,536</u> | <u>\$ 1,870,280</u>                      | <u>\$ 2,156,122</u>            | <u>\$ 6,764,938</u>            |

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(11) LEASES**

The City has entered into financing agreements for the acquisitions of firefighting, police, and utility equipment as follows:

Firefighting Equipment

In 2019, the City entered into a financing agreement for the acquisition of a new fire truck. The acquisition cost of this pumper was \$348,429 and was financed with a \$200,000 down payment and five annual payments of principal and interest totaling \$33,126 per year.

Police Equipment

In 2019, the City entered into a financing agreement for the acquisition of six new police units. The acquisition cost was \$241,652 and was financed with ten semi-annual payments of principal and interest totaling \$54,353 per year.

Street Equipment

In 2021, the City entered into a financing agreement for the acquisition of an excavator. The acquisition cost was \$58,190 and was financed with forty-eight monthly payments of principal and interest totaling \$16,068 per year.

Other Equipment

In 2021, the City entered into a financing agreement for the acquisition of a mower for the streets department, in-car cameras and laptops for the police department, and desktop computers for its administrative department. The acquisition cost was \$63,655 and was financed with eight semi-annual payments of principal and interest totaling \$17,118 per year.

In 2022, the City entered into a financing agreement for the acquisition of a backhoe, video surveillance systems installed at various City properties, computers and printers for the administrative and police departments, and radio equipment for the police, fire and utility departments. The acquisition was \$180,335 and was financed with eight semi-annual payments of principal and interest totaling \$48,291 per year.

Utility Equipment

In 2019, the City entered into a financing agreement for the acquisition of two utility trucks. The acquisition cost was \$57,229 and was financed with ten semi-annual payments of principal and interest totaling \$12,872 per year.

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(11) LEASES (Continued)**

Future maturities of the City's capital lease obligations are as follows:

| <u>Fiscal Year End</u>                         | <u>Governmental<br/>Activities</u> |                            |                            | <u>Proprietary<br/>Fund</u>  |
|--|------------------------------------|----------------------------|----------------------------|------------------------------|
|  | <u>Firefighting<br/>Equipment</u>  | <u>Police<br/>Vehicles</u> | <u>Other<br/>Equipment</u> | <u>Utility<br/>Equipment</u> |
|  | 2023                               | \$ 33,126                  | \$ 54,353                  | \$ 81,477                    |
| 2024   | -                                  | 27,177                     | 81,477                     | 6,436                        |
| 2025   | -                                  | -                          | 60,864                     | -                            |
| 2026   | -                                  | -                          | 24,146                     | -                            |
| Less: Amount representing interest             | <u>(1,203)</u>                     | <u>(3,476)</u>             | <u>(13,927)</u>            | <u>(823)</u>                 |
| Present value of future minimum lease payments | <u>\$ 31,923</u>                   | <u>\$ 78,054</u>           | <u>\$ 234,037</u>          | <u>\$ 18,485</u>             |

In the fund financial statements, the acquisition costs were reported as capital outlay with corresponding capital lease proceeds reported as an "other financing source". The government-wide financial statements report the acquisitions as a capital asset in the governmental activities with the corresponding obligations reported as a liability.

Assets and related amortization under capital leases are as follows:

|  | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> |
|--|------------------------------------|-------------------------------------|
| Vehicles - fire truck                  | \$ 348,329                         | \$ -                                |
| Vehicles - police vehicles             | 241,652                            | -                                   |
| Vehicles - utility vehicles            | -                                  | 57,230                              |
| Equipment - excavator                  | 58,191                             | -                                   |
| Equipment - backhoe                    | 82,806                             | -                                   |
| Equipment - lawn mower                 | 12,150                             | -                                   |
| Equipment - police in-car cameras      | 46,215                             | -                                   |
| Equipment - video surveillance systems | 22,092                             | -                                   |
| Equipment - computer equipment         | 16,573                             | -                                   |
| Equipment - radio equipment            | 64,154                             | -                                   |
| Less: accumulated amortization         | <u>(479,062)</u>                   | <u>(41,968)</u>                     |
|  | <u>\$ 413,100</u>                  | <u>\$ 15,262</u>                    |

Amortization of leased capital assets is included with depreciation expense. Additionally, the City at times rents various equipment on a short-term basis.

**CITY OF PATTERSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**(12) DEDICATION OF PROCEEDS AND FLOW OF FUNDS SALES AND USE TAXES**

The City collects sales taxes under four sales tax levies as follows:

- A. Proceeds of a 1% parish wide sales and use tax levied in 1966 (2022 collections \$904,649; 2021, \$791,284; 2020, \$770,548). Tax is collected by the St. Mary Parish Sales and Use Tax Department and is remitted to each participating municipality on a monthly basis. The City's allocation is 4.7818% of the first \$1,500,000 of net taxes collected. Fifty percent of any collection in excess of \$1,500,000 is divided proportionately among the participating municipalities according to their respective populations as reflected by the most recent federal census or most recent special census. Proceeds of this tax shall be used for the following purposes: construction, acquisition, improvement, maintenance and repairs of streets, capital improvements, public works and buildings (including the acquisition of sites and necessary fixtures, equipment, furnishings and appurtenances, and the payment of obligations and refunding obligations which have been or may be issued for the purpose of acquiring and improving public works and buildings); for payment or supplementing salaries of all municipal employees; for the operation of recreational facilities; for the acquisition, maintenance, repairs and payment of operating expenses of equipment, vehicles, and other machinery owned by the municipality; and for any other public purpose authorized by state law.
  
- B. Proceeds of a ¾% sales and use tax originally levied in 1974 (2022 collections \$892,592; 2021, \$788,492; 2020, \$769,395). Tax is collected by the St. Mary Parish Sales and Use Tax Department and is allocated and distributed monthly among the participating municipalities according to their respective populations as reflected by the most recent federal census or the most recent special census. Proceeds are to be used for the construction, acquisition, extension, improvement, operation and maintenance of solid waste collection and disposal facilities, sewers and sewerage disposal works, and other facilities for pollution control and abatement; and to pay debt service requirements on bonds issued for any of the above-mentioned purposes. The tax was reapproved for levy in 1987. At the time of reauthorization, voters approved a provision authorizing that the proceeds could also be used for law enforcement and fire protection costs.
  
- C. Proceeds of a 3/10% sales and use tax levied in 1982 (2022 collections \$308,341; 2021, \$271,916; 2020, \$289,964). Tax is collected by the St. Mary Parish Sales and Use Tax Department and is allocated and distributed monthly among the participating municipalities according to their respective populations as reflected by the most recent federal census or the most recent special census. Proceeds are dedicated to the following purposes: operating and maintaining the police department, including the acquisition and maintenance of equipment and supplies; paying or supplementing the salaries of municipal employees; and purchasing, constructing, acquiring, extending and/or improving all or any portion of public works or capital improvements, including but not limited to the construction, improvement and maintenance of drainage, water, and flood control extensions and improvements and the acquisition, construction, improvement, maintenance and repair of streets, roads, and bridges.
  
- D. Proceeds of a ½% parish wide sales and use tax levied in 2000 (2022 collections \$299,179; 2021, \$262,764; 2020, \$256,399). Tax is collected by the St. Mary Parish Sales and Use Tax Department and is remitted to the St. Mary Parish Sheriff, the Parish of St. Mary and each participating municipality on a monthly basis. Proceeds of this tax may be used by the municipalities for any lawful law enforcement purpose.

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(13) EMPLOYEE RETIREMENT**

Eligible employees of the City participate in one of two multiple-employer public employee retirement systems (PERS), which are controlled and administered by two separate boards of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Benefits under each system are established and amended by state statutes. Pertinent information for each system follows:

A. Municipal Employees' Retirement System (MERS)

Plan Description: MERS was established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana to provide retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the system. The City participates in Plan B of MERS.

Eligibility Requirements: Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in MERS with exceptions as outlined in the statutes.

Any person eligible for membership whose first employment making him eligible for membership in MERS occurred on or after January 1, 2013 shall become a member of the MERS Plan A Tier 2 or MERS Plan B Tier 2 of the system as a condition of employment.

Retirement Benefits: Benefit provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756-11:1785. The following brief description of the plan and its benefits is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits: Any member of Plan B who commenced participation in the System prior to January 1, 2013 can retire providing the members meets one of the following criteria:

1. Any age with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Any member of Plan B Tier 2 shall be eligible for retirement if he meets one of the following requirements:

1. Age 67 with seven (7) years of creditable service.
2. Age 62 with ten (10) years of creditable service.
3. Age 55 with thirty (30) years of creditable service.
4. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused annual sick leave, with an actuarially reduced early benefit.

**CITY OF PATTERSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**(13) EMPLOYEE RETIREMENT (Continued)**

The monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits: Upon death of any member of Plan B with five (5) or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes.

Any member of Plan B who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Deferred Retirement Option Plan (DROP) Benefits: In lieu of terminating employment and accepting a service retirement allowance, any member of Plan B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

Disability Benefits: For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser (1) an amount equal to two percent of his final compensation multiplied by his years of creditable service, but not less than thirty percent of his final compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

Cost of Living Increases: MERS is authorized under state law to grant a cost-of-living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(13) EMPLOYEE RETIREMENT (Continued)**

allows the system to grant an additional cost-of-living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Deferred Benefits: Plan B provides for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at the time of withdrawal.

Employer Contributions: Contributions for all members are established by statute. Member contributions are at 5% of earnable compensation for Plan B. The contributions are deducted from the member's salary and remitted by the participating municipality.

According to state statute, contributions for all employers are actuarially determined each year. For the year ended June 30, 2021, the employer contribution rate for Plan B was 15.00%.

Non-Employer Contributions: According to state statute, the System also receives one-fourth (1/4) of 1% of ad valorem taxes within the respective parish. MERS also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources: At June 30, 2022, The City reported liabilities in its government-wide financial statements of \$188,691 and \$628,447 in its governmental activities and its business-type activities, respectively for its proportionate share of the net pension liabilities of MERS. The net pension liabilities were measured as of June 30, 2021 and the total pension liability used to calculate the net pension obligation was determined by separate actuarial valuations performed on each of the retirement systems as of that date. Under each retirement system, the City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the City's proportional share of MERS was 1.410540%, which was an increase of 0.029688% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized a pension benefit of \$41,287 and \$54,730 in its governmental activities and its business-type activities, respectively, related to its participation in MERS.

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(13) EMPLOYEE RETIREMENT (Continued)**

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Governmental Activities</u>        |                                      | <u>Business-Type Activities</u>       |                                      |
|---|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
|   | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Difference between expected and actual experience   | \$ -                                  | \$ 13,726                            | \$ -                                  | \$ 19,996                            |
| Changes of assumptions  | 8,315                                 | -                                    | 24,755                                | -                                    |
| Net difference between projected and actual earnings on pension plan investments                              | -                                     | 89,880                               | -                                     | 130,944                              |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 3,870                                 | -                                    | 11,520                                | -                                    |
| Employer contributions subsequent to the measurement date   | <u>50,678</u>                         | <u>-</u>                             | <u>150,879</u>                        | <u>-</u>                             |
|   | <u>\$ 62,863</u>                      | <u>\$ 103,606</u>                    | <u>\$ 187,154</u>                     | <u>\$ 150,940</u>                    |

The \$201,557 reported as deferred outflows of resources related to pensions resulting from City contributions to MERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u>        |
|-------------|--------------------------------|---------------------------------|---------------------|
| 2023        | \$ (13,756)                    | \$ (17,253)                     | \$ (31,009)         |
| 2024        | (17,835)                       | (22,369)                        | (40,204)            |
| 2025        | (25,407)                       | (31,866)                        | (57,273)            |
| 2026        | <u>(34,423)</u>                | <u>(43,177)</u>                 | <u>(77,600)</u>     |
|             | <u>\$ (91,421)</u>             | <u>\$ (114,665)</u>             | <u>\$ (206,086)</u> |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial assumptions used in the June 30, 2021 valuation was based on the results of an actuarial experience study, for the period July 1, 2013 through June 30, 2018.

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(13) EMPLOYEE RETIREMENT (Continued)**

Information on the actuarial valuation and assumptions is as follows:

|  | Municipal Employees'<br>Retirement System (MERS)<br>Plan B   |
|--|--|
| Valuation Date   | June 30, 2021  |
| Actuarial cost method  | Entry Age Normal   |
| Expected remaining service lives                                     | 3 years  |
| Investment rate of return  | 6.85%, net of pension plan investment expense, including inflation   |
| Inflation rate   | 2.5%   |
| Projected salary increases, including inflation and merit increases: |  |
| -1 to 4 years of service   | 7.4%   |
| -More than 4 years of service  | 4.9%   |
| Annuity and beneficiary mortality                                    | PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females each adjusted using their respective male and female MP2018 scales. |
| Employee mortality   | PubG-2010(B) Employee Table set equal to 120% for males and females each adjusted using their respective male and female MP2018 scales.        |
| Disabled lives mortality   | PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.                          |

The investment rate of return was 6.85%, which was a 0.10% decrease from the rate used as of June 30, 2020. The long-term expected rate of return on pension plan investments 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 PATTERSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**(13) EMPLOYEE RETIREMENT (Continued)**

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2022, are summarized in the following table:

| Asset Class                        | Target Asset Allocation | Long-Term Expected Portfolio Real Rate of Return |
|------------------------------------|-------------------------|--|
| Public Equity                      | 53%                     | 2.31%  |
| Public fixed income                | 38%                     | 1.65%  |
| Alternatives                       | 9%                      | 0.39%  |
| Totals                             | 100%                    | 4.35%  |
| Inflation                          |                         | 2.60%  |
| Expected Arithmetic Nominal Return |                         | 6.95%  |

**Discount Rate:** The discount rate used to measure the total pension liability was 6.85%, which was a .10% decrease from the rate used as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity to Changes in Discount Rate:** The following presents the employers' proportionate share of the net pension liability using the applicable discount rate as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

|                       | Changes in Discount Rate: |                             |                |
|-----------------------|---------------------------|-----------------------------|----------------|
|                       | MERS - Plan B             |                             |                |
|                       | 1%<br>Decrease            | Current<br>Discount<br>Rate | 1%<br>Increase |
|                       | 5.850%                    | 6.850%                      | 7.850%         |
| Net Pension Liability | \$ 1,253,659              | \$ 817,138                  | \$ 447,923     |

**Support of Non-Employer Contributing Entities:** Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The City recognizes revenue in an amount equal to its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2022, the City recognized revenue as a result of support received from non-employer contributing entities of \$35,253 for its participation in MERS.

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(13) EMPLOYEE RETIREMENT (Continued)**

Payables to the Pension Plan: The City recorded accrued liabilities to MERS for the year ended June 30, 2022, primarily due to the accrual for payroll at the end of the fiscal year. The amounts due are included in liabilities under the amounts reported as accounts and other payables. The balance due to MERS as of June 30, 2022 is \$18,889.

Pension Plan Fiduciary Net Positions: Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for MERS available at [www.mersla.com](http://www.mersla.com).

**B. Municipal Police Employees' Retirement System (MPERS)**

Plan Description: The Municipal Police Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in MPERS is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, provided he or she does not have to pay social security and providing he or she meets the statutory criteria. MPERS provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through MPERS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

The Municipal Police Employees' Retirement System of Louisiana issues a stand-alone report on their financial statements. Access to the audit report can be found on the System's website: [www.lampers.org](http://www.lampers.org) or on the Louisiana Legislative Auditor's website, [www.lla.state.la.us](http://www.lla.state.la.us).

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of MPERS and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are 3.33% of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under conditions outlined in state statute, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10% of the member's average final compensation or \$200 per month, whichever is greater.

Membership Commencing January 1, 2013: Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of MPERS and has 25 years of creditable service at any age or has 12 years of

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(13) EMPLOYEE RETIREMENT (Continued)**

creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of MPERS for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% (generally) and 2.50%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under conditions outlined in state statute, benefits range from 25% to 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10% of the member's average final compensation or \$200 per month, whichever is greater. If deceased member had less than 10 years of service, beneficiary will receive a refund of employee contributions only.

Cost-of-Living Adjustments (COLA): The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost-of-living adjustment until they reach regular retirement age.

A COLA may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

Deferred Retirement Option Plan (DROP): A member is eligible to enter DROP when he is eligible for regular retirement based on the member's sub plan participation. Upon filing the application for the program, the employee's active membership in the system is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is 36 months or less. If employment is terminated after the three-year period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership in the system shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the system's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the system's

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(13) EMPLOYEE RETIREMENT (Continued)**

investment portfolio return or a money market investment return. This could result in negative earnings rate being applied to the account.

If the member elects the money market investment return option, the funds are transferred to a government money market account and earn interest at the money market rate.

Initial Benefit Option Plan: In 1999, the Louisiana Legislature authorized the MPERS to establish an Initial Benefit Option (IBO) program. IBO is available to members who are eligible for regular retirement and have not participated in DROP. The IBO program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on the same criteria as DROP.

Employer Contributions: According to state statute, contribution requirements for all employers are actuarially determined each year but cannot be less than 9% of the employee's earnable compensation excluding overtime but including state supplemental pay.

For the year ended June 30, 2021, the employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 33.75% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 33.75% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 36.25% and 7.5%, respectively.

Non-Employer Contributions: MPERS receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the Legislature each year based on an actuarial report. Non-employer contributions are recognized as revenue and excluded from pension expense.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources: At June 30, 2022, the City reported liabilities in its government-wide financial statements of \$618,418 in its governmental activities for its proportionate share of the net pension liabilities of MPERS. The net pension liabilities were measured as of June 30, 2021, and the total pension liability used to calculate the net pension obligation was determined by separate actuarial valuations performed on each of the retirement systems as of that date. Under each retirement system, the City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the City's proportional share of MPERS was 0.116014%, which was an increase of 0.019486% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized a pension benefit of \$43,462 in its governmental activities related to its participation in MPERS

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(13) EMPLOYEE RETIREMENT (Continued)**

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | MPERS   |  |
|---|---|--|
|   | <u>Governmental Activities</u>                |  |
|   | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
| Difference between expected and actual experience   | \$ -  | \$ 19,045                                    |
| Changes of assumptions  | 68,487  | 17,641                                       |
| Net difference between projected and actual earnings on pension plan investments                              | -   | 288,753                                      |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 252,208                                       | 58,076                                       |
| Employer contributions subsequent to the measurement date   | <u>82,746</u>                                 | <u>-</u>                                     |
|   | <u>\$ 403,441</u>                             | <u>\$ 383,515</u>                            |

The \$82,746 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

| <u>Year</u> |                    |
|-------------|--------------------|
| 2023        | \$ 581             |
| 2024        | 50,614             |
| 2025        | (13,674)           |
| 2026        | <u>(100,341)</u>   |
|             | <u>\$ (62,820)</u> |

Actuarial Methods and Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employee's past periods of service, less the amount of the pension plan's fiduciary net position.

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(13) EMPLOYEE RETIREMENT (Continued)**

The actuarial assumptions used in the June 30, 2021 valuation were based on the assumptions used in the June 30, 2021 actuarial funding valuation and were based on the results of an actuarial experience study for the period of July 1, 2014 through June 30, 2019. In cases where benefit structures were changed after the study period, assumptions were based on the estimates of future experience.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022 are as follows:

|   | Municipal Police Employees'<br>Retirement System (MPERS)   |               |
|---|--|---------------|
| Valuation Date                                  | June 30, 2021  |               |
| Actuarial cost method                           | Entry Age Normal Cost  |               |
| Expected remaining service lives                | 4 years  |               |
| Investment rate of return                       | 6.750%, net of investment expense  |               |
| Inflation rate                                  | 2.50%  |               |
| Salary increases, including inflation and merit | Yrs of Service   | Salary Growth |
|   | 1-2  | 12.30%        |
|   | Above 2  | 4.70%         |
| Mortality                                       | <p>For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.</p> <p>For disabled lives, the Pub-2010 Public Retirement Plans Morality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.</p> <p>For employees, the Pub-2010 Public Retirement Plans Morality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.</p> |               |

**CITY OF PATTERSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**(13) EMPLOYEE RETIREMENT (Continued)**

Cost of Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The investment rate of return was 6.75%, which was a .20% decrease from the rate used as of June 30, 2020.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2014 through June 30, 2019, and review of similar law enforcement mortality. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2022 are summarized in the following table:

|                            | June 30, 2022        |   |
|----------------------------|----------------------|---|
| Asset Class                | Target<br>Allocation | Long Term<br>Expected<br>Portfolio Real<br>Rate of Return |
| Equity                     | 55.50%               | 3.48%   |
| Fixed Income               | 30.50%               | 0.59%   |
| Alternative                | 14.00%               | 1.01%   |
| Other                      | 0.00%                | 0.00%   |
| Totals                     | 100.00%              | 5.08%   |
| Inflation                  |                      | 2.22%   |
| Expected Arithmetic Return |                      | 7.30%   |

The discount rate used to measure the total pension liability was 6.75%, which was a .20% decrease from the rate used as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(13) EMPLOYEE RETIREMENT (Continued)**

Sensitivity to Changes in Discount Rate: The following presents the employers' proportionate share of the net pension liability using the applicable discount rate as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

|                       | Changes in Discount Rate: |            |            |
|-----------------------|---------------------------|------------|------------|
|                       | MPERS                     |            |            |
|                       | 1%                        | Current    | 1%         |
|                       | Decrease                  | Discount   | Increase   |
|                       | 5.750%                    | 6.750%     | 7.750%     |
| Net Pension Liability | \$ 1,077,805              | \$ 618,418 | \$ 234,985 |

Support of Non-Employer Contributing Entities: Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The City recognizes revenue in an amount equal to its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2022, the City recognized revenue as a result of support received from non-employer contributing entities of \$25,926 for its participation in MPERS.

Payables to the Pension Plan: The City recorded accrued liabilities to MPERS for the year ended June 30, 2022, primarily due to the accrual for payroll at the end of the fiscal year. The amounts due are included in liabilities under the amounts reported as accounts and other payables. The balance due to MPERS as of June 30, 2022 is \$8,273.

Pension Plan Fiduciary Net Positions: Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for MPERS available at [www.lampers.org](http://www.lampers.org).

**C. Aggregate Net Pension Liability, Deferred Outflows of Resources, Deferred Inflows of Resources and Pension Expense**

As detailed above, the City participates in two separate defined benefit pension plans. The aggregate amounts for the City's participation in Municipal Employees' Retirement System of Louisiana (MERS) and Municipal and State Police Retirement System of Louisiana (MPERS) are as follows:

|                          | Employer's Proportionate Share of Net Pension Liability: |            |              |
|--------------------------|--|------------|--------------|
|                          | MERS   | MPERS      | Aggregate    |
| Governmental Activities  | \$ 188,691   | \$ 618,418 | \$ 807,109   |
| Business-Type Activities | 628,447  | -          | 628,447      |
| Total                    | \$ 817,138   | \$ 618,418 | \$ 1,435,556 |

**CITY OF PATTERSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**(13) EMPLOYEE RETIREMENT (Continued)**

Deferred Outflows of Resources:

|                          | MERS       | MPERS      | Aggregate  |
|--------------------------|------------|------------|------------|
| Governmental Activities  | \$ 62,863  | \$ 403,441 | \$ 466,304 |
| Business-Type Activities | 187,154    | -          | 187,154    |
| Total                    | \$ 250,017 | \$ 403,441 | \$ 653,458 |

Deferred Inflows of Resources:

|                          | MERS       | MPERS      | Aggregate  |
|--------------------------|------------|------------|------------|
| Governmental Activities  | \$ 103,606 | \$ 383,515 | \$ 487,121 |
| Business-Type Activities | 150,940    | -          | 150,940    |
| Total                    | \$ 254,546 | \$ 383,515 | \$ 638,061 |

Pension Expense (Benefit):

|                          | MERS        | MPERS       | Aggregate    |
|--------------------------|-------------|-------------|--------------|
| Governmental Activities  | \$ (41,287) | \$ (43,462) | \$ (84,749)  |
| Business-Type Activities | (54,730)    | -           | (54,730)     |
| Total                    | \$ (96,017) | \$ (43,462) | \$ (139,479) |

**(14) POST EMPLOYMENT BENEFITS**

Effective with the fiscal year beginning July 1, 2017, the City implemented Government Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB 75).

*Plan Description and Funding Policy*

The City's defined benefit postemployment health care plan provides OPEB to eligible retired employees and their beneficiaries until the retiree attains the age of 65. The plan provides OPEB for permanent full-time employees of the City participating in the City's group health insurance plan. The City's OPEB plan is a single employer defined benefit OPEB plan administered by the City. Benefits are provided through the City's group health insurance carrier. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The premium rates are established and may be amended by the group health insurance carrier with the City determining the contribution requirements of the retirees.

Once the retiree becomes eligible to obtain Medicare supplement insurance, the retiree and their dependents are no longer eligible to participate in the City's group health insurance plan. The retiree is eligible to obtain a medicare supplemental insurance policy through the OPEB plan. Premiums are determined by the group health insurance carrier with the City contributing 75% of the premium amount.

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(14) POST EMPLOYMENT BENEFITS (Continued)**

*Benefits Provided*

The City provides medical benefits for retirees and their dependents. The benefit terms provide for payment of 75% of retiree pre-Medicare health insurance premiums. The plan also provides for payment of 75% of Medicare Supplemental insurance payments.

*Employees Covered by Benefit Terms*

At June 30, 2022, there were a total of 53 employees covered by the benefit terms. Of these 53 employees, 48 were active employees and 5 were inactive employees currently receiving benefits payments.

The City's total OPEB liability of \$653,266 was measured as of June 30, 2022 and was determined by the alternative measurement method. Small employers with less than 100 total plan participants are eligible to use the alternative measurement method.

*Key Assumptions and Other Inputs*

The total OPEB liability as of June 30, 2022 was determined using the following key assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|  |  |
|--|--|
| Salary increases, including inflation    | 2.90%  |
| Discount rate                            | 3.70%  |
| Percentage participation                 | 100.00%  |
| Healthcare cost trend rates              |  |
| Medical                                  | Initially 4.7%, increasing 0.1% in year 2, the decreasing 0.1 per year to year 8, then remaining level at 4.2% through year 10 |
| Retirees' share of benefit-related costs |  |
| Medical                                  | 25% for retirees and 25% for dependents  |
| Medicare supplement                      | 25% for retirees   |

The discount rate was based on the June 30, 2022 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for ten years.

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(14) EMPLOYEE RETIREMENT (Continued)**

Changes in Total OPEB Liability:

|   | <u>Governmental<br/>Funds</u> | <u>Business-Type<br/>Funds</u> | <u>Total OPEB<br/>Liability</u> |
|---|-------------------------------|--------------------------------|---------------------------------|
| Balance at 6/30/2021                                  | \$ 812,715                    | \$ 328,956                     | \$ 1,141,671                    |
| Charges for the year:                                 |                               |                                |                                 |
| Service cost  | 41,311                        | 21,246                         | 62,557                          |
| Interest on OPEB liability                            | 17,210                        | 8,851                          | 26,061                          |
| Effect of economic gains and losses                   | (318,303)                     | (163,698)                      | (482,001)                       |
| Differences between expected and<br>actual experience | <u>(121,531)</u>              | <u>26,509</u>                  | <u>(95,022)</u>                 |
| Net changes   | <u>(381,313)</u>              | <u>(107,092)</u>               | <u>(488,405)</u>                |
| Balance at 6/30/2022                                  | <u>\$ 431,402</u>             | <u>\$ 221,864</u>              | <u>\$ 653,266</u>               |

*Sensitivity of the total OPEB liability to changes in the discount rate*

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that 1-percentage-point lower (2.70 percent) or 1-percentage-point higher (4.70 percent) than the current discount rate:

|                      | <u>1% Decrease<br/>(2.70%)</u> | <u>Discount Rate<br/>(3.70%)</u> | <u>1% Increase<br/>(4.70%)</u> |
|----------------------|--------------------------------|----------------------------------|--------------------------------|
| Total OPEB Liability | <u>\$ 702,500</u>              | <u>\$ 653,266</u>                | <u>\$ 609,745</u>              |

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates*

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point high than the current healthcare cost trend rates:

|                      | <u>1% Decrease</u> | <u>Discount Rate</u> | <u>1% Increase</u> |
|----------------------|--------------------|----------------------|--------------------|
| Total OPEB Liability | <u>\$ 608,458</u>  | <u>\$ 653,266</u>    | <u>\$ 703,014</u>  |

**(15) SOCIAL SECURITY SYSTEM**

All employees of the City participate in the Social Security System. The City and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the City and 7.65% by the employee). The City's contribution during the year ended June 30, 2022 was \$196,012.

**CITY OF PATTERSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**(16) RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The City is insured up to policy limits for each of the above risks. There were no significant changes in coverages, retentions, or limits during the year ended June 30, 2022. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

**(17) COMPENSATION OF CITY OFFICIALS**

A detail of compensation paid to the City Council for the year ended June 30, 2022 follows:

|                      |                  |
|----------------------|------------------|
| Mayor:               |                  |
| Rodney Grogan        | <u>\$ 51,000</u> |
| Council:             |                  |
| Travis Darnell       | \$ 6,000         |
| Ray Dewey            | 3,000            |
| Lee Condolle         | 6,000            |
| Tina Johnson         | 2,500            |
| Dawn Rentrop         | 1,500            |
| John Rentrop         | 4,500            |
| Joseph C. Russo, III | 6,000            |
| Sandra Turner        | 500              |
|                      | <u>\$ 30,000</u> |

Act 706 of the 2014 Legislative Session amended R.S. 24:513A requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. Payments to and on behalf of the City's chief officer, Mayor Rodney Grogan, for the year ended June 30, 2022 are as follows:

|                                 |                  |
|---------------------------------|------------------|
| Salary                          | \$ 51,000        |
| Benefits - insurance            | 9,492            |
| Benefits - retirement           | 7,905            |
| Conference travel/lodging/meals | 445              |
| Reimbursements for supplies     | 345              |
|                                 | <u>\$ 69,187</u> |

**(18) JOINT VENTURE**

The City is a participant in a joint venture with the Parish of St. Mary, St. Mary Parish Water and Sewer Commission No. 3, and the Town of Berwick for operating and maintaining a sewerage disposal system. The system is operated by a five-member board of commissioners, appointed one each by the City, St. Mary Parish Water and Sewer Commission No. 3, and the Town of Berwick, and two appointed by the St. Mary Parish Council (one each from Ward 5 and Ward 8 of St. Mary Parish).

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(18) JOINT VENTURE (Continued)**

The costs of constructing the system, which amounted to approximately \$10,300,000, were paid by the participants in the following percentages:

|                   |         |
|-------------------|---------|
| City of Patterson | 27.75%  |
| Town of Berwick   | 27.05%  |
| St. Mary Parish   | 45.20%  |
|                   | 100.00% |

The board operates and maintains the system as the “St. Mary Parish Wards 5 and 8 Joint Sewerage Commission”. Operating expenses are paid from revenues generated by charging the participants a monthly fee based on a percentage of water consumption by residents of participating units. The City finances its share of the fees paid from the Utility Fund and has not included its 27.75% share of the system in these financial statements.

Following is a summary of the financial statements issued by the St. Mary Parish Wards 5 and 8 Joint Sewerage Commission as of September 30, 2021 which includes only the assets and liabilities required in operating and maintaining the system and does not include the original \$10,300,000 construction cost paid by the participants.

The balance sheet reflected the following:

|   |              |
|---|--------------|
| Total assets and deferred outflows of resources     | \$ 1,862,052 |
| Total liabilities and deferred inflows of resources | 191,108      |
| Total net position                                  | \$ 1,670,944 |

The statement of revenues and expenses for the fiscal year ended September 30, 2021, reflected the following:

|                        |            |
|------------------------|------------|
| Operating revenues     | \$ 971,840 |
| Nonoperating revenues  | 2,295      |
| Operating expenses     | (958,018)  |
| Change in net position | \$ 16,117  |

Additional information may be obtained from the separately issued financial statements of the St. Mary Parish Wards 5 and 8 Joint Sewerage Commission for the year ended September 30, 2021.

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(19) DEFICIT FUND BALANCES**

The following nonmajor funds reported deficit unassigned fund balances at June 30, 2022:

|   |         |
|---|---------|
| Debt Service Fund                       |         |
| 2015 Limited Tax Bonds Fund             | \$ 828  |
| Public Improvement Sales Tax Bonds Fund | 197,055 |
| 1990 Paving Assessments Fund            | 107,829 |
| Capital Projects Fund                   |         |
| 2002 Paving Project Construction Fund   | 30,558  |
| Water Plant Construction Fund           | 101     |

The deficits resulted from the expenditure of funds obligated to repay interfund loans. Management anticipates eliminating these deficits through transfers from other funds.

**(20) PRIOR PERIOD ADJUSTMENT**

During the year ended June 30, 2022, the City made adjustments to correct accounting errors. Deferred outflows of resources related to the MPERS pension obligation was overstated by \$80,000. Effects of the prior period adjustment on net position is as follows:

|                                      | As<br>Previously<br>Reported | Adjustment         | As<br>Restated      |
|--------------------------------------|------------------------------|--------------------|---------------------|
| Government-wide financial statements |                              |                    |                     |
| Governmental activities              | <u>\$ 7,770,346</u>          | <u>\$ (80,000)</u> | <u>\$ 7,690,346</u> |

**(21) NEW ACCOUNTING PRONOUNCEMENT**

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. The objective of this statement is to better meet information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the government's leasing activities. The City of Patterson adopted this standard in the year ended June 30, 2022. The implementation of this standard had no effect on the City's financial statements for the year ended June 30, 2022.

**CITY OF PATTERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(22) ACCOUNTING STANDARDS SCHEDULED TO BE IMPLEMENTED**

Following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) that are scheduled to be implemented in the future that may affect the City's financial report:

GASB Statement 96, *Subscription-Based Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The provisions of GASBS No. 96 are effective for fiscal years beginning after June 15, 2022. The effect of implementation on the City's financial statements has not yet been determined.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF PATTERSON, LOUISIANA**  
**General Fund**  
**Budgetary Comparison Schedule**  
**Year Ended June 30, 2022**

|  | Budget              |                     | Actual              | Variance With<br>Final Budget<br>Favorable<br>(Unfavorable) |
|--|---------------------|---------------------|---------------------|---|
|  | Original            | Final               |                     |   |
| <b>Revenues:</b>                       |                     |                     |                     |   |
| Taxes                                  | \$ 1,559,800        | \$ 1,683,252        | \$ 1,807,569        | \$ 124,317  |
| Licenses and Permits                   | 167,600             | 213,743             | 229,130             | 15,387  |
| Intergovernmental                      | 1,338,470           | 942,163             | 1,245,872           | 303,709   |
| Charges for Services                   | 642,050             | 683,920             | 758,291             | 74,371  |
| Fines and Forfeits                     | 375,000             | 357,000             | 295,230             | (61,770)  |
| Miscellaneous                          | 90,950              | 121,238             | 114,349             | (6,889)   |
| Total Revenues                         | <u>4,173,870</u>    | <u>4,001,316</u>    | <u>4,450,441</u>    | <u>449,125</u>  |
| <b>Expenditures:</b>                   |                     |                     |                     |   |
| Current -                              |                     |                     |                     |   |
| General Government:                    |                     |                     |                     |   |
| Administrative                         | 709,665             | 797,521             | 868,262             | (70,741)  |
| Mechanic Shop                          | 115,750             | 158,920             | 159,347             | (427)   |
| Public Safety:                         |                     |                     |                     |   |
| Police                                 | 2,066,150           | 1,891,930           | 1,952,496           | (60,566)  |
| Fire                                   | 49,550              | 56,541              | 63,098              | (6,557)   |
| Streets and Drainage                   | 703,906             | 920,937             | 965,218             | (44,281)  |
| Culture and Recreation                 | 125,440             | 222,908             | 224,643             | (1,735)   |
| Sanitation                             | 493,000             | 493,125             | 534,143             | (41,018)  |
| Capital Outlay                         | 451,095             | 591,353             | 787,648             | (196,295)   |
| Debt Service                           | -                   | -                   | 113,258             | (113,258)   |
| Total Expenditures                     | <u>4,714,556</u>    | <u>5,133,235</u>    | <u>5,668,113</u>    | <u>(534,878)</u>  |
| Deficiency of Revenues                 |                     |                     |                     |   |
| Over Expenditures                      | <u>(540,686)</u>    | <u>(1,131,919)</u>  | <u>(1,217,672)</u>  | <u>(85,753)</u>   |
| <b>Other Financing Sources (Uses):</b> |                     |                     |                     |   |
| Proceeds from capital lease            | -                   | -                   | 180,335             | 180,335   |
| Operating Transfers Out                | -                   | -                   | (51,709)            | (51,709)  |
| Operating Transfers In                 | 1,021,542           | 1,023,564           | 1,193,066           | 169,502   |
| Total Other Financing Sources (Uses)   | <u>1,021,542</u>    | <u>1,023,564</u>    | <u>1,321,692</u>    | <u>298,128</u>  |
| Net Change in Fund Balance             | 480,856             | (108,355)           | 104,020             | 212,375   |
| Fund Balance, Beginning                | <u>3,264,825</u>    | <u>2,886,374</u>    | <u>2,634,516</u>    | <u>(251,858)</u>  |
| Fund Balance, Ending                   | <u>\$ 3,745,681</u> | <u>\$ 2,778,019</u> | <u>\$ 2,738,536</u> | <u>\$ (39,483)</u>  |

*See accompanying notes to required supplementary information.*

**CITY OF PATTERSON, LOUISIANA**

**Sewerage and Solid Waste Sales Tax Fund  
Budgetary Comparison Schedule  
Year Ended June 30, 2022**

|                                 | Budget              |                     | Actual              | Variance With<br>Final Budget<br>Favorable<br>(Unfavorable) |
|---------------------------------|---------------------|---------------------|---------------------|---|
|                                 | Original            | Final               |                     |   |
| Revenues:                       |                     |                     |                     |   |
| Taxes                           | \$ 745,000          | \$ 876,000          | \$ 892,592          | \$ 16,592   |
| Interest on Deposits            | <u>2,000</u>        | <u>900</u>          | <u>1,112</u>        | <u>212</u>  |
| Total Revenues                  | 747,000             | 876,900             | 893,704             | 16,804  |
| Other Financing Sources (Uses): |                     |                     |                     |   |
| Operating Transfers Out         | <u>(1,033,656)</u>  | <u>(1,032,471)</u>  | <u>(1,097,159)</u>  | <u>(64,688)</u>   |
| Net Change in Fund Balance      | (286,656)           | (155,571)           | (203,455)           | (47,884)  |
| Fund Balance, Beginning         | <u>5,105,073</u>    | <u>3,063,500</u>    | <u>2,073,735</u>    | <u>(989,765)</u>  |
| Fund Balance, Ending            | <u>\$ 4,818,417</u> | <u>\$ 2,907,929</u> | <u>\$ 1,870,280</u> | <u>\$ (1,037,649)</u>                                       |

*See accompanying notes to required supplementary information.*

**CITY OF PATTERSON, LOUISIANA**

**Ad Valorem Tax Collection Fund  
Budgetary Comparison Schedule  
Year Ended June 30, 2022**

|   | Budget           |                  | Actual           | Variance With<br>Final Budget<br>Favorable<br>(Unfavorable) |
|---|------------------|------------------|------------------|---|
|   | Original         | Final            |                  |   |
| Revenues:                               |                  |                  |                  |   |
| Taxes                                   | \$ 578,352       | \$ 604,139       | \$ 631,140       | \$ 27,001   |
| Interest on Deposits                    | <u>617</u>       | <u>202</u>       | <u>13</u>        | <u>(189)</u>  |
| Total Revenues                          | 578,969          | 604,341          | 631,153          | 26,812  |
| Expenditures:                           |                  |                  |                  |   |
| Current -                               |                  |                  |                  |   |
| General Government                      | <u>9,000</u>     | <u>8,417</u>     | <u>23,300</u>    | <u>(14,883)</u>   |
| Excess of Revenues<br>Over Expenditures | 569,969          | 595,924          | 607,853          | 11,929  |
| Other Financing Sources (Uses):         |                  |                  |                  |   |
| Operating Transfers Out                 | <u>(528,518)</u> | <u>(521,081)</u> | <u>(607,853)</u> | <u>(86,772)</u>   |
| Net Change in Fund Balance              | 41,451           | 74,843           | -                | (74,843)  |
| Fund Balance, Beginning                 | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>-</u>  |
| Fund Balance, Ending                    | <u>\$ 41,451</u> | <u>\$ 74,843</u> | <u>\$ -</u>      | <u>\$ (74,843)</u>  |

*See accompanying notes to required supplementary information.*

**CITY OF PATTERSON, LOUISIANA**

**Schedule of Changes in Total OPEB Liability and Related Ratios  
Year Ended June 30, 2022**

|   | <u>2018</u>         | <u>2019</u>         | <u>2020</u>         | <u>2021</u>         | <u>2022</u>         |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability  |                     |                     |                     |                     |                     |
| Service Cost  | \$ 44,561           | \$ 48,172           | \$ 50,370           | \$ 62,557           | \$ 62,557           |
| Interest  | 25,958              | 29,395              | 28,284              | 26,369              | 26,061              |
| Effect of economic gains and losses                                 | -                   | (99,350)            | 104,167             | 19,860              | (482,001)           |
| Differences between expected and actual experience                  | <u>24,053</u>       | <u>(6,717)</u>      | <u>73,303</u>       | <u>13,579</u>       | <u>(95,022)</u>     |
| Net change in total OPEB liability                                  | 94,572              | (28,500)            | 256,124             | 122,365             | (488,405)           |
| <br>  |                     |                     |                     |                     |                     |
| Total OPEB liability, beginning                                     | <u>697,110</u>      | <u>791,682</u>      | <u>763,182</u>      | <u>1,019,306</u>    | <u>1,141,671</u>    |
| Total OPEB liability, ending  | <u>\$ 791,682</u>   | <u>\$ 763,182</u>   | <u>\$ 1,019,306</u> | <u>\$ 1,141,671</u> | <u>\$ 653,266</u>   |
| <br>  |                     |                     |                     |                     |                     |
| Covered employee payroll  | <u>\$ 1,151,467</u> | <u>\$ 1,186,798</u> | <u>\$ 1,210,534</u> | <u>\$ 1,271,061</u> | <u>\$ 1,472,744</u> |
| <br>  |                     |                     |                     |                     |                     |
| Total OPEB liability as a percentage of<br>covered employee payroll | <u>68.8%</u>        | <u>64.3%</u>        | <u>84.2%</u>        | <u>89.8%</u>        | <u>44.4%</u>        |

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

**CITY OF PATTERSON, LOUISIANA**

**Schedule of Employer's Share of Net Pension Liability  
Year Ended June 30, 2022**

| <b>Plan<br/>Year<br/>ended<br/>June 30,</b>          | <b>Employer<br/>Proportion<br/>of the<br/>Net Pension<br/>Liability<br/>(Asset)</b> | <b>Employer<br/>Proportionate<br/>Share of the<br/>Net Pension<br/>Liability<br/>(Asset)</b> | <b>Employer's<br/>Covered<br/>Payroll</b> | <b>Employer's<br/>Proportionate Share<br/>of the Net Pension<br/>Liability (Asset) as a<br/>Percentage of its<br/>Covered Employee<br/>Payroll</b> | <b>Plan Fiduciary<br/>Net Position<br/>as a Percentage<br/>of the Total<br/>Pension Liability</b> |
|--|---|--|---|--|---|
| <b>Municipal Employees' Retirement System</b>        |   |  |   |  |   |
| 2014   | 1.646384%   | \$ 772,971   | \$ 1,206,100                              | 64.1%  | 76.94%  |
| 2015   | 1.518223%   | \$ 1,031,856   | \$ 1,050,232                              | 98.3%  | 68.71%  |
| 2016   | 1.495290%   | \$ 1,239,459   | \$ 1,098,595                              | 112.8%   | 62.11%  |
| 2017   | 1.440633%   | \$ 1,246,483   | \$ 1,070,609                              | 116.4%   | 63.49%  |
| 2018   | 1.477940%   | \$ 1,250,089   | \$ 1,087,923                              | 114.9%   | 65.60%  |
| 2019   | 1.377163%   | \$ 1,204,761   | \$ 1,052,795                              | 114.4%   | 66.14%  |
| 2020   | 1.380852%   | \$ 1,251,364   | \$ 1,070,122                              | 116.9%   | 66.26%  |
| 2021   | 1.410540%   | \$ 817,138   | \$ 1,084,035                              | 75.4%  | 79.14%  |
| <b>Municipal Police Employees' Retirement System</b> |   |  |   |  |   |
| 2014   | 0.105901%   | \$ 662,535   | \$ 297,210                                | 222.9%   | 75.10%  |
| 2015   | 0.108207%   | \$ 847,689   | \$ 289,873                                | 292.4%   | 70.73%  |
| 2016   | 0.100478%   | \$ 941,762   | \$ 281,321                                | 334.8%   | 66.04%  |
| 2017   | 0.116587%   | \$ 1,017,854   | \$ 351,997                                | 289.2%   | 70.08%  |
| 2018   | 0.094905%   | \$ 802,333   | \$ 280,078                                | 286.5%   | 71.89%  |
| 2019   | 0.065463%   | \$ 594,514   | \$ 204,434                                | 290.8%   | 71.01%  |
| 2020   | 0.096528%   | \$ 892,144   | \$ 298,147                                | 299.2%   | 70.94%  |
| 2021   | 0.116014%   | \$ 618,418   | \$ 355,683                                | 173.9%   | 84.09%  |

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

**CITY OF PATTERSON, LOUISIANA**

**Schedule of Employer Contributions  
Year Ended June 30, 2022**

| <u>Fiscal<br/>Year ended<br/>June 30,</u>            | <u>Contractually<br/>Required<br/>Contribution</u> | <u>Contributions in<br/>Relation to<br/>Contractual<br/>Required<br/>Contribution</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Employer's<br/>Covered<br/>Payroll</u> | <u>Contributions<br/>as a % of<br/>Covered<br/>Employee<br/>Payroll</u> |
|--|--|---|---|---|---|
| <b>Municipal Employees' Retirement System</b>        |  |   |   |   |   |
| 2015   | \$ 99,772  | \$ 99,772   | \$ -  | \$ 1,050,232                              | 9.50%   |
| 2016   | \$ 104,161   | \$ 104,161  | \$ -  | \$ 1,098,595                              | 9.48%   |
| 2017   | \$ 117,767   | \$ 117,767  | \$ -  | \$ 1,070,609                              | 11.00%  |
| 2018   | \$ 144,150   | \$ 144,150  | \$ -  | \$ 1,087,923                              | 13.25%  |
| 2019   | \$ 147,391   | \$ 147,391  | \$ -  | \$ 1,052,795                              | 14.00%  |
| 2020   | \$ 149,817   | \$ 149,817  | \$ -  | \$ 1,070,122                              | 14.00%  |
| 2021   | \$ 168,025   | \$ 168,025  | \$ -  | \$ 1,084,035                              | 15.50%  |
| 2022   | \$ 201,557   | \$ 201,557  | \$ -  | \$ 1,300,368                              | 15.50%  |
| <b>Municipal Police Employees' Retirement System</b> |  |   |   |   |   |
| 2015   | \$ 91,310  | \$ 91,310   | \$ -  | \$ 289,873                                | 31.50%  |
| 2016   | \$ 83,307  | \$ 83,307   | \$ -  | \$ 281,321                                | 29.61%  |
| 2017   | \$ 110,878   | \$ 110,878  | \$ -  | \$ 351,997                                | 31.50%  |
| 2018   | \$ 86,124  | \$ 86,124   | \$ -  | \$ 280,078                                | 30.75%  |
| 2019   | \$ 65,930  | \$ 65,930   | \$ -  | \$ 204,434                                | 32.25%  |
| 2020   | \$ 96,897  | \$ 96,897   | \$ -  | \$ 298,147                                | 32.50%  |
| 2021   | \$ 119,454   | \$ 119,454  | \$ -  | \$ 355,683                                | 33.58%  |
| 2022   | \$ 82,746  | \$ 82,746   | \$ -  | \$ 278,136                                | 29.75%  |

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

## CITY OF PATTERSON, LOUISIANA

### Notes to Required Supplementary Information (continued) Year Ended June 30, 2022

(1) Budgetary Basis of Accounting

The budgets for the General Fund, Sewerage and Solid Waste Sales Tax Fund, and the Ad Valorem Tax Collection Fund are adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the City Council.

(2) Budget Adoption

The City follows these procedures in establishing the budgetary data reflected in the supplementary information:

1. The City Accountant prepares a proposed budget and submits it to the Mayor and Council for the fiscal year no later than 45 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 10 days after publication of the call for the hearing.
4. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfers 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 City Council.
6. All budgetary appropriations lapse at the end of each year, except for capital expenditures.

(3) Actual Expenditures in Excess of Budgeted Appropriations

Actual expenditures and transfers exceeded budgeted appropriations in the General Fund, the Sewerage and Solid Waste Sales Tax Fund, and the Ad Valorem Tax Collection Fund by \$586,587, \$64,688, and \$101,655, respectively.

(4) Retirement Systems

A. Municipal Employees' Retirement System

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

**CITY OF PATTERSON, LOUISIANA**

**Notes to Required Supplementary Information (continued)  
Year Ended June 30, 2022**

Changes of assumptions – Changes of assumptions –

| *<br>Year ended<br>June 30, | Discount<br>Rate | Investment<br>Rate<br>of Return | Inflation<br>Rate | Expected<br>Remaining<br>Service Lives | Projected<br>Salary<br>Increase |
|-----------------------------|------------------|---------------------------------|-------------------|--|---------------------------------|
| 2015                        | 7.750%           | 7.750%                          | 3.000%            | 4                                      | 5.750%                          |
| 2016                        | 7.500%           | 7.500%                          | 2.875%            | 4                                      | 5.000%                          |
| 2017                        | 7.500%           | 7.500%                          | 2.875%            | 4                                      | 5.000%                          |
| 2018                        | 7.400%           | 7.400%                          | 2.775%            | 4                                      | 5.000%                          |
| 2019                        | 7.275%           | 7.275%                          | 2.600%            | 3                                      | 5.000%                          |
| 2020                        | 7.000%           | 7.000%                          | 2.500%            | 3                                      | 4.9% - 7.4%                     |
| 2021                        | 6.950%           | 6.950%                          | 2.500%            | 3                                      | 4.9% - 7.4%                     |
| 2022                        | 6.850%           | 6.850%                          | 2.500%            | 3                                      | 4.9% - 7.4%                     |

**B. Municipal Police Employees' Retirement System**

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

Changes of assumptions – Changes of assumptions –

| *<br>Year ended<br>June 30, | Discount<br>Rate | Investment<br>Rate<br>of Return | Inflation<br>Rate | Expected<br>Remaining<br>Service Lives | Projected<br>Salary<br>Increase |
|-----------------------------|------------------|---------------------------------|-------------------|--|---------------------------------|
| 2015                        | 7.500%           | 7.500%                          | 3.000%            | 4                                      | 4.00% - 10.00%                  |
| 2016                        | 7.500%           | 7.500%                          | 2.875%            | 4                                      | 4.25% - 9.75%                   |
| 2017                        | 7.500%           | 7.500%                          | 2.875%            | 4                                      | 4.25% - 9.75%                   |
| 2018                        | 7.325%           | 7.325%                          | 2.700%            | 4                                      | 4.25% - 9.75%                   |
| 2019                        | 7.200%           | 7.200%                          | 2.600%            | 4                                      | 4.25% - 9.75%                   |
| 2020                        | 7.125%           | 7.125%                          | 2.500%            | 4                                      | 4.25% - 9.75%                   |
| 2021                        | 6.950%           | 6.950%                          | 2.500%            | 4                                      | 4.7% - 12.3%                    |
| 2022                        | 6.750%           | 6.750%                          | 2.500%            | 4                                      | 4.7% - 12.3%                    |

\* The amounts presented have a measurement date of the previous fiscal year end.

**(5) Post Employment Benefits**

A. Changes of benefits terms – None

B. Changes of assumptions – None

**OTHER SUPPLEMENTARY INFORMATION**

**CITY OF PATTERSON, LOUISIANA**

**Justice System Funding Schedule - Collecting/Disbursing Entity  
Year Ended June 30, 2022**

|   | First Six<br>Month Period<br>Ended<br><u>12/31/2021</u> | Second Six<br>Month Period<br>Ended<br><u>6/30/2022</u> |
|---|---|---|
| Beginning Balance of Amounts Collected  | \$ 45,422   | \$ 19,651   |
| Add: Collections  |   |   |
| Criminal Fines and Costs  |   |   |
| Subtotal Collections  | <u>144,349</u>  | <u>152,990</u>  |
| Less: Disbursements to Governments and Nonprofits                                 |   |   |
| Louisiana Supreme Court - Criminal Fines  | 147   | 132   |
| St. Mary Parish Sheriff - Criminal Fines  | 1,030   | 2,990   |
| Indigent Defender Board - Criminal Fines  | 10,604  | 9,628   |
| Acadiana Criminalistics Lab - Criminal Fines                                      | 9,693   | 8,396   |
| Louisiana Commission on Law Enforcement - Criminal Fines                          | 2,961   | 2,693   |
| Louisiana State Treasurer CMIS - Criminal Fines                                   | 939   | 855   |
| LA Dept of Health & Hospitals THI/SCI - Criminal Fines                            | <u>645</u>  | <u>505</u>  |
|   | 26,019  | 25,199  |
| Less: Amounts Retained by Collecting Agency                                       |   |   |
| Amounts "Self-disbursed" to Collecting Agency - Criminal Fines                    | 143,545   | 111,608   |
| Less: Disbursements to Individuals/3rd Party Collection or<br>Processing Agencies |   |   |
| Bond Fee Refunds  | <u>556</u>  | <u>742</u>  |
| Subtotal Disbursements/Retainage  | <u>170,120</u>  | <u>137,549</u>  |
| Ending Balance of Amounts Collected but not Disbursed/Retained                    | <u>\$ 19,651</u>  | <u>\$ 35,092</u>  |

**CITY OF PATTERSON, LOUISIANA**  
**General Fund**  
**Budgetary Comparison Schedule-Revenues**  
**Year Ended June 30, 2022**

|  | Budget           |                  | Actual           | Variance With<br>Final Budget<br>Favorable<br>(Unfavorable) |
|--|------------------|------------------|------------------|---|
|  | Original         | Final            |                  |   |
| Taxes -                                    |                  |                  |                  |   |
| Sales                                      | \$ 1,295,000     | \$ 1,416,000     | \$ 1,512,169     | \$ 96,169   |
| Utility Franchise                          | 245,000          | 252,330          | 280,478          | 28,148  |
| Housing Authority Payment in Lieu of Taxes | 19,800           | 14,922           | 14,922           | -   |
|  | <u>1,559,800</u> | <u>1,683,252</u> | <u>1,807,569</u> | <u>124,317</u>  |
| Licenses and Permits -                     |                  |                  |                  |   |
| Occupational Licenses                      | 159,000          | 185,000          | 204,132          | 19,132  |
| Culvert Permits                            | 600              | 350              | 150              | (200)   |
| Building Permits                           | 8,000            | 28,393           | 24,848           | (3,545)   |
|  | <u>167,600</u>   | <u>213,743</u>   | <u>229,130</u>   | <u>15,387</u>   |
| Intergovernmental -                        |                  |                  |                  |   |
| State of Louisiana -                       |                  |                  |                  |   |
| Beer Taxes                                 | 5,200            | 4,058            | 4,137            | 79  |
| Video Poker                                | 20,000           | 3,664            | 6,512            | 2,848   |
| Prisoner Maintenance                       | 85,000           | 60,986           | 42,458           | (18,528)  |
| St. Mary Parish Government -               |                  |                  |                  |   |
| Road Royalty Allocation                    | 7,270            | 7,270            | 3,400            | (3,870)   |
| Riverboat Gaming Allocation                | 34,000           | -                | -                | -   |
| Prisoner Maintenance                       | 95,000           | 70,690           | 68,740           | (1,950)   |
| St. Mary Parish School Board -             |                  |                  |                  |   |
| In-school Suspension                       | 22,000           | 26,238           | 25,768           | (470)   |
| Federal Grants-                            |                  |                  |                  |   |
| American Rescue Plan                       | 1,070,000        | 769,257          | 1,071,092        | 301,835   |
| Federal Emergency Management Agency        | -                | -                | 23,765           | 23,765  |
|  | <u>1,338,470</u> | <u>942,163</u>   | <u>1,245,872</u> | <u>303,709</u>  |
| Charges for services:                      |                  |                  |                  |   |
| Garbage Fees                               | 525,000          | 525,000          | 544,075          | 19,075  |
| Mosquito Abatement                         | -                | -                | 57,563           | 57,563  |
| Mechanic Shop Fees                         | 116,050          | 158,920          | 155,873          | (3,047)   |
| Summer Recreation Fees                     | 1,000            | -                | 780              | 780   |
|  | <u>642,050</u>   | <u>683,920</u>   | <u>758,291</u>   | <u>74,371</u>   |
| Fines and Forfeits                         | <u>375,000</u>   | <u>357,000</u>   | <u>295,230</u>   | <u>(61,770)</u>   |

(continued)

**CITY OF PATTERSON, LOUISIANA**  
**General Fund**

**Budgetary Comparison Schedule-Revenues (continued)**  
**Year Ended June 30, 2022**

|                                      | Budget                  |                         | Actual                  | Variance With<br>Final Budget<br>Favorable<br>(Unfavorable) |
|--------------------------------------|-------------------------|-------------------------|-------------------------|---|
|                                      | Original                | Final                   |                         |   |
| Miscellaneous:                       |                         |                         |                         |   |
| Interest                             | 1,200                   | 936                     | 1,067                   | 131   |
| Oil and Gas Royalties                | 250                     | 250                     | 264                     | 14  |
| Private Donations - Community Center | -                       | -                       | 17,951                  | 17,951  |
| Private Donations - Main Street      | 4,500                   | 3,450                   | 1,950                   | (1,500)   |
| Other Sources                        | 85,000                  | 116,602                 | 93,117                  | (23,485)  |
|                                      | <u>90,950</u>           | <u>121,238</u>          | <u>114,349</u>          | <u>(6,889)</u>  |
| <br>Total Revenues                   | <br><u>\$ 4,173,870</u> | <br><u>\$ 4,001,316</u> | <br><u>\$ 4,450,441</u> | <br><u>\$ 449,125</u>                                       |

**CITY OF PATTERSON, LOUISIANA**  
**General Fund**  
**Budgetary Comparison Schedule-Expenditures**  
**Year Ended June 30, 2022**

|                             | Budget         |                | Actual         | Variance With                              |
|-----------------------------|----------------|----------------|----------------|--|
|                             | Original       | Final          |                | Final Budget<br>Favorable<br>(Unfavorable) |
| General Government:         |                |                |                |  |
| Administrative -            |                |                |                |  |
| Salaries                    | \$ 195,000     | \$ 262,561     | \$ 273,212     | \$ (10,651)                                |
| Payroll Taxes               | 13,600         | 17,517         | 24,820         | (7,303)                                    |
| Retirement Contributions    | 20,000         | 28,153         | 32,592         | (4,439)                                    |
| Group Insurance             | 41,000         | 55,488         | 46,045         | 9,443                                      |
| Magistrate Fees             | 12,000         | 12,000         | 11,500         | 500  |
| Uniforms                    | 750            | 437            | 225            | 212  |
| Travel and Employee Expense | 3,550          | 10,471         | 12,914         | (2,443)                                    |
| Telephone and Utilities     | 11,200         | 10,736         | 12,339         | (1,603)                                    |
| Office Supplies             | 1,500          | 1,231          | 937            | 294  |
| Operating Supplies          | 7,500          | 12,707         | 14,849         | (2,142)                                    |
| Repairs and Maintenance     | 3,500          | 3,251          | 5,834          | (2,583)                                    |
| Training and Seminars       | 7,000          | 6,499          | 7,499          | (1,000)                                    |
| Professional Fees           | 65,500         | 65,941         | 58,309         | 7,632                                      |
| Office Equipment Rentals    | 2,000          | 3,104          | 3,685          | (581)                                      |
| Dues and Subscriptions      | 2,000          | 2,930          | 2,306          | 624  |
| Donations and Grants        | 8,000          | 8,922          | 9,722          | (800)                                      |
| Advertising and Publishing  | 15,000         | 20,980         | 18,210         | 2,770                                      |
| General Insurance           | 245,000        | 215,000        | 291,689        | (76,689)                                   |
| Miscellaneous               | 55,565         | 59,593         | 41,575         | 18,018                                     |
| Total Administrative        | <u>709,665</u> | <u>797,521</u> | <u>868,262</u> | <u>(70,741)</u>                            |

(continued)

**CITY OF PATTERSON, LOUISIANA**  
**General Fund**  
**Budgetary Comparison Schedule-Expenditures (continued)**  
**Year Ended June 30, 2022**

|                             | Budget           |                  | Actual           | Variance With              |
|-----------------------------|------------------|------------------|------------------|----------------------------|
|                             | Original         | Final            |                  | Final Budget               |
|                             |                  |                  |                  | Favorable<br>(Unfavorable) |
| Mechanic shop -             |                  |                  |                  |                            |
| Salaries                    | \$ 62,000        | \$ 88,185        | \$ 85,454        | \$ 2,731                   |
| Payroll Taxes               | 4,700            | 6,114            | 6,353            | (239)                      |
| Retirement Contribution     | 9,200            | 10,585           | 11,804           | (1,219)                    |
| Group Insurance             | 20,900           | 23,834           | 19,254           | 4,580                      |
| Telephone and Utilities     | 7,800            | 6,326            | 6,518            | (192)                      |
| Operating Supplies          | 8,000            | 13,101           | 15,599           | (2,498)                    |
| Repairs and Maintenance     | 1,800            | 9,641            | 12,854           | (3,213)                    |
| Equipment Rentals           | 500              | 517              | 630              | (113)                      |
| Miscellaneous               | 850              | 617              | 881              | (264)                      |
| Total Mechanic Shop         | <u>115,750</u>   | <u>158,920</u>   | <u>159,347</u>   | <u>(427)</u>               |
| Total General Government    | <u>825,415</u>   | <u>956,441</u>   | <u>1,027,609</u> | <u>(71,168)</u>            |
| Public Safety:              |                  |                  |                  |                            |
| Police -                    |                  |                  |                  |                            |
| Salaries                    | 1,155,000        | 988,389          | 993,977          | (5,588)                    |
| Payroll Taxes               | 80,500           | 68,699           | 88,900           | (20,201)                   |
| Retirement Contributions    | 145,000          | 85,639           | 67,806           | 17,833                     |
| Group Insurance             | 360,000          | 357,475          | 269,533          | 87,942                     |
| Uniform Allowances          | 4,300            | 2,010            | 9,579            | (7,569)                    |
| Prisoner Expense            | 80,000           | 71,219           | 78,299           | (7,080)                    |
| Telephone and Utilities     | 42,000           | 41,577           | 51,050           | (9,473)                    |
| Office Supplies             | 3,500            | 1,073            | 1,927            | (854)                      |
| Operating Supplies          | 24,000           | 31,130           | 38,038           | (6,908)                    |
| Repairs and Maintenance     | 12,000           | 5,650            | 85,117           | (79,467)                   |
| Equipment Rentals           | 6,500            | 19,858           | 24,707           | (4,849)                    |
| Vehicle Expense             | 42,500           | 54,881           | 122,159          | (67,278)                   |
| Training Seminars           | 4,750            | 3,254            | 3,589            | (335)                      |
| Travel and Employee Expense | 6,300            | 14,110           | 3,336            | 10,774                     |
| Miscellaneous               | 99,800           | 146,966          | 114,479          | 32,487                     |
| Total Police                | <u>2,066,150</u> | <u>1,891,930</u> | <u>1,952,496</u> | <u>(60,566)</u>            |

(continued)

**CITY OF PATTERSON, LOUISIANA**  
**General Fund**  
**Budgetary Comparison Schedule-Expenditures (continued)**  
**Year Ended June 30, 2022**

|                              | Budget           |                  | Actual           | Variance With<br>Final Budget<br>Favorable<br>(Unfavorable) |
|------------------------------|------------------|------------------|------------------|---|
|                              | Original         | Final            |                  |   |
| Fire:                        |                  |                  |                  |   |
| Telephone & Utilities        | \$ 7,000         | \$ 6,578         | \$ 6,796         | \$ (218)  |
| Operating Supplies           | 7,000            | 14,065           | 23,586           | (9,521)   |
| Repairs and Maintenance      | 20,500           | 13,212           | 10,297           | 2,915   |
| Vehicle Expenses             | 6,500            | 14,288           | 15,763           | (1,475)   |
| Payment on Fire Truck        | 500              | -                | -                | -   |
| Miscellaneous                | 8,050            | 8,398            | 6,656            | 1,742   |
| Total Fire                   | <u>49,550</u>    | <u>56,541</u>    | <u>63,098</u>    | <u>(6,557)</u>  |
| Total Public Safety          | <u>2,115,700</u> | <u>1,948,471</u> | <u>2,015,594</u> | <u>(67,123)</u>   |
| Streets and Drainage:        |                  |                  |                  |   |
| Salaries                     | 335,500          | 302,968          | 332,685          | (29,717)  |
| Payroll Taxes                | 24,600           | 20,184           | 24,537           | (4,353)   |
| Retirement Contributions     | 36,500           | 29,502           | 40,244           | (10,742)  |
| Group Insurance              | 71,000           | 71,367           | 55,982           | 15,385  |
| Uniform Allowance            | 3,100            | 2,090            | 1,661            | 429   |
| Travel and Employee Expenses | 250              | 1,610            | 3,610            | (2,000)   |
| Utilities                    | 45,000           | 109,002          | 121,165          | (12,163)  |
| Chemicals and Agents         | 1,500            | 919              | 120              | 799   |
| Operating Supplies           | 11,000           | 26,736           | 40,745           | (14,009)  |
| Repairs and Maintenance      | 107,356          | 122,556          | 105,819          | 16,737  |
| Vehicle Expenses             | 23,000           | 40,303           | 123,284          | (82,981)  |
| Mosquito Abatement           | -                | -                | 59,129           | (59,129)  |
| Miscellaneous                | 45,100           | 193,700          | 56,237           | 137,463   |
| Total Streets and Drainage   | <u>703,906</u>   | <u>920,937</u>   | <u>965,218</u>   | <u>(44,281)</u>   |

(continued)

**CITY OF PATTERSON, LOUISIANA**  
**General Fund**  
**Budgetary Comparison Schedule-Expenditures (continued)**  
**Year Ended June 30, 2022**

|  | Budget              |                     | Actual              | Variance With<br>Final Budget<br>Favorable<br>(Unfavorable) |
|--|---------------------|---------------------|---------------------|---|
|  | Original            | Final               |                     |   |
| <b>Culture and Recreation:</b>               |                     |                     |                     |   |
| Salaries                                     | \$ 56,000           | \$ 69,850           | \$ 74,202           | \$ (4,352)  |
| Payroll Taxes                                | 2,900               | 5,258               | 5,376               | (118)   |
| Telephone and Utilities                      | 34,200              | 46,188              | 54,729              | (8,541)   |
| Office Supplies and Furnishings              | -                   | 1,274               | 1,659               | (385)   |
| Operating Supplies                           | 1,500               | 14,839              | 5,175               | 9,664   |
| Referee and Umpire Fees                      | 3,250               | 3,250               | 3,250               | -   |
| Rental Fees                                  | 2,040               | 1,380               | 9,311               | (7,931)   |
| Repairs & Maintenance                        | 1,900               | 41,039              | 30,487              | 10,552  |
| Miscellaneous                                | <u>23,650</u>       | <u>39,830</u>       | <u>40,454</u>       | <u>(624)</u>  |
| Total Culture and Recreation                 | <u>125,440</u>      | <u>222,908</u>      | <u>224,643</u>      | <u>(1,735)</u>  |
| <b>Sanitation:</b>                           |                     |                     |                     |   |
| Garbage Services Rendered                    | 492,000             | 492,125             | 534,143             | (42,018)  |
| Miscellaneous                                | <u>1,000</u>        | <u>1,000</u>        | -                   | <u>1,000</u>  |
| Total Sanitation                             | <u>493,000</u>      | <u>493,125</u>      | <u>534,143</u>      | <u>(41,018)</u>   |
| <b>Capital Outlay:</b>                       |                     |                     |                     |   |
| Police Equipment and Improvements            | 66,713              | 66,713              | 28,152              | 38,561  |
| Fire equipment                               | -                   | -                   | 21,702              | (21,702)  |
| Mechanic Shop Equipment                      | 60,000              | 24,146              | 2,360               | 21,786  |
| Street Department Equipment                  | 19,382              | 19,381              | 198,730             | (179,349)   |
| Culture and Recreation                       | 226,000             | 259,020             | 307,434             | (48,414)  |
| Administrative Equipment and<br>Improvements | 4,000               | 4,000               | 19,272              | (15,272)  |
| Street Improvements                          | <u>75,000</u>       | <u>218,093</u>      | <u>209,998</u>      | <u>8,095</u>  |
| Total Capital Outlay                         | <u>451,095</u>      | <u>591,353</u>      | <u>787,648</u>      | <u>(196,295)</u>  |
| <b>Debt Service:</b>                         |                     |                     |                     |   |
| Principal Paid                               | -                   | -                   | 99,186              | (99,186)  |
| Interest and Fiscal Charges                  | <u>-</u>            | <u>-</u>            | <u>14,072</u>       | <u>(14,072)</u>   |
| Total Debt Service                           | <u>-</u>            | <u>-</u>            | <u>113,258</u>      | <u>(113,258)</u>  |
| Total Expenditures                           | <u>\$ 4,714,556</u> | <u>\$ 5,133,235</u> | <u>\$ 5,668,113</u> | <u>\$ (534,878)</u>   |

**CITY OF PATTERSON, LOUISIANA**  
**Nonmajor Governmental Funds**

**Combining Balance Sheet**  
**June 30, 2022**

|  | Special Revenue Funds |                                 | Debt Service Funds            |                                 |                               |                                  |
|--|-----------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|----------------------------------|
|  | 2020<br>LCDBG<br>Fund | Fire<br>Department<br>Equipment | 2002<br>Paving<br>Assessments | Sales Tax<br>Refunding<br>Bonds | 1973<br>Paving<br>Assessments | Various<br>Paving<br>Assessments |
| <b>ASSETS</b>                              |                       |                                 |                               |                                 |                               |                                  |
| Cash                                       | \$ 1,272              | \$ -                            | \$ 152,840                    | \$ -                            | \$ 4,277                      | \$ 3,855                         |
| Interest-Bearing Deposits                  | -                     | 269,349                         | -                             | 413,093                         | -                             | 134,544                          |
| Receivables                                |                       |                                 |                               |                                 |                               |                                  |
| Assessments                                | -                     | -                               | 6,628                         | -                               | -                             | -                                |
| Other                                      | -                     | 133                             | -                             | 90                              | -                             | 13                               |
| Due from Other Governments                 | -                     | 22,755                          | -                             | -                               | -                             | -                                |
| Due from Other Funds                       | -                     | -                               | 1,256                         | 26,554                          | -                             | -                                |
| <b>Total Assets</b>                        | <u>\$ 1,272</u>       | <u>\$ 292,237</u>               | <u>\$ 160,724</u>             | <u>\$ 439,737</u>               | <u>\$ 4,277</u>               | <u>\$ 138,412</u>                |
| <b>LIABILITIES AND FUND BALANCES</b>       |                       |                                 |                               |                                 |                               |                                  |
| Liabilities:                               |                       |                                 |                               |                                 |                               |                                  |
| Cash Overdraft                             | \$ -                  | \$ -                            | \$ -                          | \$ -                            | \$ -                          | \$ -                             |
| Due to Other Funds                         | -                     | -                               | 1,868                         | 4,426                           | -                             | -                                |
| Unearned Revenues                          | -                     | -                               | 6,628                         | -                               | -                             | -                                |
| <b>Total Liabilities</b>                   | <u>-</u>              | <u>-</u>                        | <u>8,496</u>                  | <u>4,426</u>                    | <u>-</u>                      | <u>-</u>                         |
| Fund Balances:                             |                       |                                 |                               |                                 |                               |                                  |
| Restricted                                 | 1,272                 | 292,237                         | 152,228                       | 435,311                         | 4,277                         | 138,412                          |
| Unassigned (Deficit)                       | -                     | -                               | -                             | -                               | -                             | -                                |
| <b>Total Fund Balances</b>                 | <u>1,272</u>          | <u>292,237</u>                  | <u>152,228</u>                | <u>435,311</u>                  | <u>4,277</u>                  | <u>138,412</u>                   |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 1,272</u>       | <u>\$ 292,237</u>               | <u>\$ 160,724</u>             | <u>\$ 439,737</u>               | <u>\$ 4,277</u>               | <u>\$ 138,412</u>                |

**CITY OF PATTERSON, LOUISIANA**  
**Nonmajor Governmental Funds**

**Combining Balance Sheet (continued)**  
**June 30, 2022**

|                                      |    | Debt Service Funds (continued) |             |             |               |               |                      |
|--------------------------------------|----|--------------------------------|-------------|-------------|---------------|---------------|----------------------|
|                                      |    | Public                         | Public      | 1990        | 2018          | 2021          |                      |
|                                      |    | Improvement                    | Improvement | Paving      | Excess        | Limited Tax   |                      |
|                                      |    | Sales Tax                      | Bonds       | Assessments | Revenue Bonds | Bonds         |                      |
| ASSETS                               |    | 2015<br>Limited Tax<br>Bonds   | Bonds       | Bonds       | Assessments   | Revenue Bonds | Limited Tax<br>Bonds |
| Cash                                 | \$ | -                              | \$ -        | \$ -        | \$ 160        | \$ -          | \$ 266,625           |
| Interest-Bearing Deposits            |    | -                              | 877         | 3,796       | 46            | -             | -                    |
| Receivables                          |    |                                |             |             |               |               |                      |
| Assessments                          |    | -                              | -           | -           | -             | -             | -                    |
| Other                                |    | -                              | -           | -           | -             | -             | -                    |
| Due from Other Governments           |    | -                              | -           | -           | -             | -             | -                    |
| Due from Other Funds                 |    | -                              | -           | 957,728     | 15,555        | -             | -                    |
| Total Assets                         | \$ | -                              | \$ 877      | \$ 961,524  | \$ 15,761     | \$ -          | \$ 266,625           |
| <b>LIABILITIES AND FUND BALANCES</b> |    |                                |             |             |               |               |                      |
| Liabilities:                         |    |                                |             |             |               |               |                      |
| Cash Overdraft                       | \$ | 828                            | \$ -        | \$ -        | \$ -          | \$ -          | \$ -                 |
| Due to Other Funds                   |    | -                              | 197,932     | 54,697      | 123,590       | -             | -                    |
| Unearned Revenues                    |    | -                              | -           | -           | -             | -             | -                    |
| Total Liabilities                    |    | 828                            | 197,932     | 54,697      | 123,590       | -             | -                    |
| Fund Balances:                       |    |                                |             |             |               |               |                      |
| Restricted                           |    | -                              | -           | 906,827     | -             | -             | 266,625              |
| Unassigned (Deficit)                 |    | (828)                          | (197,055)   | -           | (107,829)     | -             | -                    |
| Total Fund Balances                  |    | (828)                          | (197,055)   | 906,827     | (107,829)     | -             | 266,625              |
| Total Liabilities and Fund Balances  | \$ | -                              | \$ 877      | \$ 961,524  | \$ 15,761     | \$ -          | \$ 266,625           |

(continued)

**CITY OF PATTERSON, LOUISIANA**  
**Nonmajor Governmental Funds**

**Combining Balance Sheet (continued)**  
**June 30, 2022**

|                                      | Capital Projects Funds                        |  |   |                                      |                                       |  |
|--------------------------------------|---|--|---|--------------------------------------|---------------------------------------|--|
|                                      | Catherine<br>Street<br>Paving<br>Construction | Drainage<br>and<br>Relocation<br>Project | Regional<br>Sewerage<br>Facility<br>Project | Third<br>Street<br>Paving<br>Project | Murphy<br>Street<br>Paving<br>Project | City Hall/<br>Jail<br>Complex<br>Project |
| <b>ASSETS</b>                        |   |  |   |                                      |                                       |  |
| Cash                                 | \$ 25,290                                     | \$ 1,473                                 | \$ -  | \$ -                                 | \$ -                                  | \$ 100                                   |
| Interest-Bearing Deposits            | -   | 119,641                                  | 116,381                                     | 2                                    | 36,526                                | 387                                      |
| Receivables                          |   |  |   |                                      |                                       |  |
| Assessments                          | -   | -  | -   | -                                    | -                                     | -  |
| Other                                | -   | -  | 3   | -                                    | -                                     | -  |
| Due from Other Governments           | -   | -  | -   | -                                    | -                                     | -  |
| Due from Other Funds                 | -   | 21,443                                   | 573   | -                                    | -                                     | 768                                      |
| Total Assets                         | \$ 25,290                                     | \$ 142,557                               | \$ 116,957                                  | \$ 2                                 | \$ 36,526                             | \$ 1,255                                 |
| <b>LIABILITIES AND FUND BALANCES</b> |   |  |   |                                      |                                       |  |
| Liabilities:                         |   |  |   |                                      |                                       |  |
| Cash Overdraft                       | \$ -  | \$ -                                     | \$ -  | \$ -                                 | \$ -                                  | \$ -                                     |
| Due to Other Funds                   | 25,290  | 1,701                                    | -   | -                                    | 392                                   | -  |
| Unearned Revenues                    | -   | -  | -   | -                                    | -                                     | -  |
| Total Liabilities                    | 25,290  | 1,701                                    | -   | -                                    | 392                                   | -  |
| Fund Balances:                       |   |  |   |                                      |                                       |  |
| Restricted                           | -   | 140,856                                  | 116,957                                     | 2                                    | 36,134                                | 1,255                                    |
| Unassigned (Deficit)                 | -   | -  | -   | -                                    | -                                     | -  |
| Total Fund Balances                  | -   | 140,856                                  | 116,957                                     | 2                                    | 36,134                                | 1,255                                    |
| Total Liabilities and Fund Balances  | \$ 25,290                                     | \$ 142,557                               | \$ 116,957                                  | \$ 2                                 | \$ 36,526                             | \$ 1,255                                 |

**CITY OF PATTERSON, LOUISIANA**  
**Nonmajor Governmental Funds**

**Combining Balance Sheet (continued)**  
**June 30, 2022**

| Capital Projects Funds (continued)   |   |                           |                                |                                |                                |
|--------------------------------------|---|---------------------------|--------------------------------|--------------------------------|--------------------------------|
|                                      | Limited<br>Tax<br>Bonds<br>Construction | 2002<br>Paving<br>Project | 2018<br>Street<br>Improvements | Water<br>Plant<br>Construction | Total<br>Governmental<br>Funds |
| <b>ASSETS</b>                        |   |                           |                                |                                |                                |
| Cash                                 | \$ -                                    | \$ 1,627                  | \$ 100                         | \$ 99                          | \$ 457,718                     |
| Interest-Bearing Deposits            | -                                       | -                         | -                              | -                              | 1,094,642                      |
| Receivables                          |   |                           |                                |                                |                                |
| Assessments                          | -                                       | -                         | -                              | -                              | 6,628                          |
| Other                                | -                                       | -                         | -                              | -                              | 239                            |
| Due from Other Governments           | -                                       | -                         | -                              | -                              | 22,755                         |
| Due from Other Funds                 | -                                       | -                         | -                              | -                              | 1,023,877                      |
| Total Assets                         | \$ -                                    | \$ 1,627                  | \$ 100                         | \$ 99                          | \$ 2,605,859                   |
| <b>LIABILITIES AND FUND BALANCES</b> |   |                           |                                |                                |                                |
| Liabilities:                         |   |                           |                                |                                |                                |
| Cash Overdraft                       | \$ -                                    | \$ -                      | \$ -                           | \$ -                           | \$ 828                         |
| Due to Other Funds                   | -                                       | 32,185                    | -                              | 200                            | 442,281                        |
| Unearned Revenues                    | -                                       | -                         | -                              | -                              | 6,628                          |
| Total Liabilities                    | -                                       | 32,185                    | -                              | 200                            | 449,737                        |
| Fund Balances:                       |   |                           |                                |                                |                                |
| Restricted                           | -                                       | -                         | 100                            | -                              | 2,492,493                      |
| Unassigned (Deficit)                 | -                                       | (30,558)                  | -                              | (101)                          | (336,371)                      |
| Total Fund Balances                  | -                                       | (30,558)                  | 100                            | (101)                          | 2,156,122                      |
| Total Liabilities and Fund Balances  | \$ -                                    | \$ 1,627                  | \$ 100                         | \$ 99                          | \$ 2,605,859                   |

**CITY OF PATTERSON, LOUISIANA**  
**Nonmajor Governmental Funds**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Year Ended June 30, 2022**

|   | <u>Special Revenue Funds</u> |                                 | <u>Debt Service Funds</u>     |                                 |                               |                                  |
|---|------------------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|----------------------------------|
|   | 2020<br>LCDBG<br>Fund        | Fire<br>Department<br>Equipment | 2002<br>Paving<br>Assessments | Sales Tax<br>Refunding<br>Bonds | 1973<br>Paving<br>Assessments | Various<br>Paving<br>Assessments |
| Revenues:   |                              |                                 |                               |                                 |                               |                                  |
| Intergovernmental                                 | \$ 242,575                   | \$ 42,194                       | \$ -                          | \$ -                            | \$ -                          | \$ -                             |
| Miscellaneous                                     | -                            | 959                             | -                             | 375                             | -                             | 80                               |
| Total Revenues                                    | <u>242,575</u>               | <u>43,153</u>                   | <u>-</u>                      | <u>375</u>                      | <u>-</u>                      | <u>80</u>                        |
| Expenditures:                                     |                              |                                 |                               |                                 |                               |                                  |
| General Government                                | 78                           | -                               | -                             | -                               | -                             | -                                |
| Public Safety:                                    |                              |                                 |                               |                                 |                               |                                  |
| Fire  | -                            | 1,246                           | -                             | -                               | -                             | -                                |
| Capital Outlay                                    | 241,325                      | -                               | -                             | -                               | -                             | -                                |
| Debt Service:                                     |                              |                                 |                               |                                 |                               |                                  |
| Principal Retirement                              | -                            | 30,763                          | -                             | -                               | -                             | -                                |
| Interest and Fiscal Charges                       | -                            | 2,363                           | -                             | -                               | -                             | -                                |
| Total Expenditures                                | <u>241,403</u>               | <u>34,372</u>                   | <u>-</u>                      | <u>-</u>                        | <u>-</u>                      | <u>-</u>                         |
| Excess (Deficiency) of Revenues Over Expenditures | 1,172                        | 8,781                           | -                             | 375                             | -                             | 80                               |
| Other Financing Sources (Uses):                   |                              |                                 |                               |                                 |                               |                                  |
| Transfers In                                      | -                            | -                               | -                             | -                               | -                             | -                                |
| Transfers Out                                     | -                            | -                               | -                             | -                               | -                             | -                                |
| Total Other Financing Sources (Uses)              | <u>-</u>                     | <u>-</u>                        | <u>-</u>                      | <u>-</u>                        | <u>-</u>                      | <u>-</u>                         |
| Net Change in Fund Balance                        | 1,172                        | 8,781                           | -                             | 375                             | -                             | 80                               |
| Fund Balances, Beginning                          | <u>100</u>                   | <u>283,456</u>                  | <u>152,228</u>                | <u>434,936</u>                  | <u>4,277</u>                  | <u>138,332</u>                   |
| Fund Balances, Ending                             | <u>\$ 1,272</u>              | <u>\$ 292,237</u>               | <u>\$ 152,228</u>             | <u>\$ 435,311</u>               | <u>\$ 4,277</u>               | <u>\$ 138,412</u>                |

(continued)

**CITY OF PATTERSON, LOUISIANA**  
**Nonmajor Governmental Funds**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance (continued)**  
**Year Ended June 30, 2022**

|   | Debt Service Funds (continued) |   |                                |                               |                                 |                              |
|---|--------------------------------|---|--------------------------------|-------------------------------|---------------------------------|------------------------------|
|   | 2015<br>Limited Tax<br>Bonds   | Public<br>Improvement<br>Sales Tax<br>Bonds | Public<br>Improvement<br>Bonds | 1990<br>Paving<br>Assessments | 2018<br>Excess<br>Revenue Bonds | 2021<br>Limited Tax<br>Bonds |
| Revenues:   |                                |   |                                |                               |                                 |                              |
| Intergovernmental                                 | \$ -                           | \$ -  | \$ -                           | \$ -                          | \$ -                            | \$ -                         |
| Miscellaneous                                     | -                              | -   | 8                              | -                             | -                               | -                            |
| Total Revenues                                    | <u>-</u>                       | <u>-</u>                                    | <u>8</u>                       | <u>-</u>                      | <u>-</u>                        | <u>-</u>                     |
| Expenditures:                                     |                                |   |                                |                               |                                 |                              |
| General Government                                | -                              | -   | -                              | -                             | -                               | -                            |
| Public Safety:                                    |                                |   |                                |                               |                                 |                              |
| Fire  | -                              | -   | -                              | -                             | -                               | -                            |
| Capital Outlay                                    | -                              | -   | -                              | -                             | -                               | 168,380                      |
| Debt Service:                                     |                                |   |                                |                               |                                 |                              |
| Principal Retirement                              | 80,000                         | -   | 245,000                        | -                             | 95,000                          | 5,000                        |
| Interest and Fiscal Charges                       | <u>12,165</u>                  | <u>-</u>                                    | <u>60,420</u>                  | <u>-</u>                      | <u>22,046</u>                   | <u>7,548</u>                 |
| Total Expenditures                                | <u>92,165</u>                  | <u>-</u>                                    | <u>305,420</u>                 | <u>-</u>                      | <u>117,046</u>                  | <u>180,928</u>               |
| Excess (Deficiency) of Revenues Over Expenditures | (92,165)                       | -   | (305,412)                      | -                             | (117,046)                       | (180,928)                    |
| Other Financing Sources (Uses):                   |                                |   |                                |                               |                                 |                              |
| Transfers In                                      | 92,046                         | -   | 381,609                        | -                             | 117,046                         | -                            |
| Transfers Out                                     | <u>(709)</u>                   | <u>-</u>                                    | <u>-</u>                       | <u>-</u>                      | <u>-</u>                        | <u>(122,447)</u>             |
| Total Other Financing Sources (Uses)              | <u>91,337</u>                  | <u>-</u>                                    | <u>381,609</u>                 | <u>-</u>                      | <u>117,046</u>                  | <u>(122,447)</u>             |
| Net Change in Fund Balance                        | (828)                          | -   | 76,197                         | -                             | -                               | (303,375)                    |
| Fund Balances, Beginning                          | <u>-</u>                       | <u>(197,055)</u>                            | <u>830,630</u>                 | <u>(107,829)</u>              | <u>-</u>                        | <u>570,000</u>               |
| Fund Balances, Ending                             | <u>\$ (828)</u>                | <u>\$ (197,055)</u>                         | <u>\$ 906,827</u>              | <u>\$ (107,829)</u>           | <u>\$ -</u>                     | <u>\$ 266,625</u>            |

(continued)

**CITY OF PATTERSON, LOUISIANA**  
**Nonmajor Governmental Funds**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance (continued)**  
**Year Ended June 30, 2022**

|   | Capital Projects Funds                        |  |   |                                      |                                       |  |
|---|---|--|---|--------------------------------------|---------------------------------------|--|
|   | Catherine<br>Street<br>Paving<br>Construction | Drainage<br>and<br>Relocation<br>Project | Regional<br>Sewerage<br>Facility<br>Project | Third<br>Street<br>Paving<br>Project | Murphy<br>Street<br>Paving<br>Project | City Hall/<br>Jail<br>Complex<br>Project |
| Revenues:   |   |  |   |                                      |                                       |  |
| Intergovernmental                                 | \$ -  | \$ -                                     | \$ -  | \$ -                                 | \$ -                                  | \$ -                                     |
| Miscellaneous                                     | -   | 120                                      | 21  | -                                    | 36                                    | -  |
| Total Revenues                                    | <u>-</u>                                      | <u>120</u>                               | <u>21</u>                                   | <u>-</u>                             | <u>36</u>                             | <u>-</u>                                 |
| Expenditures:                                     |   |  |   |                                      |                                       |  |
| General Government                                | -   | -  | -   | -                                    | -                                     | -  |
| Public Safety:                                    |   |  |   |                                      |                                       |  |
| Fire  | -   | -  | -   | -                                    | -                                     | -  |
| Capital Outlay                                    | -   | -  | -   | -                                    | -                                     | -  |
| Debt Service:                                     |   |  |   |                                      |                                       |  |
| Principal Retirement                              | -   | -  | -   | -                                    | -                                     | -  |
| Interest and Fiscal Charges                       | -   | -  | -   | -                                    | -                                     | -  |
| Total Expenditures                                | <u>-</u>                                      | <u>-</u>                                 | <u>-</u>                                    | <u>-</u>                             | <u>-</u>                              | <u>-</u>                                 |
| Excess (Deficiency) of Revenues Over Expenditures | -   | 120                                      | 21  | -                                    | 36                                    | -  |
| Other Financing Sources (Uses):                   |   |  |   |                                      |                                       |  |
| Transfers In                                      | -   | -  | -   | -                                    | -                                     | -  |
| Transfers Out                                     | -   | -  | -   | -                                    | -                                     | -  |
| Total Other Financing Sources (Uses)              | <u>-</u>                                      | <u>-</u>                                 | <u>-</u>                                    | <u>-</u>                             | <u>-</u>                              | <u>-</u>                                 |
| Net Change in Fund Balance                        | -   | 120                                      | 21  | -                                    | 36                                    | -  |
| Fund Balances, Beginning                          | <u>-</u>                                      | <u>140,736</u>                           | <u>116,936</u>                              | <u>2</u>                             | <u>36,098</u>                         | <u>1,255</u>                             |
| Fund Balances, Ending                             | <u>\$ -</u>                                   | <u>\$ 140,856</u>                        | <u>\$ 116,957</u>                           | <u>\$ 2</u>                          | <u>\$ 36,134</u>                      | <u>\$ 1,255</u>                          |

(continued)

**CITY OF PATTERSON, LOUISIANA**  
**Nonmajor Governmental Funds**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance (continued)**  
**Year Ended June 30, 2022**

|   | Capital Projects Funds (continued)      |                           |                                |                                | Total<br>Governmental<br>Funds |
|---|---|---------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | Limited<br>Tax<br>Bonds<br>Construction | 2002<br>Paving<br>Project | 2018<br>Street<br>Improvements | Water<br>Plant<br>Construction |                                |
| Revenues:   |   |                           |                                |                                |                                |
| Intergovernmental                                 | \$ -                                    | \$ -                      | \$ -                           | \$ -                           | \$ 284,769                     |
| Miscellaneous                                     | -                                       | -                         | -                              | -                              | 1,599                          |
| Total Revenues                                    | <u>-</u>                                | <u>-</u>                  | <u>-</u>                       | <u>-</u>                       | <u>286,368</u>                 |
| Expenditures:                                     |   |                           |                                |                                |                                |
| General Government                                | -                                       | -                         | -                              | -                              | 78                             |
| Public Safety:                                    |   |                           |                                |                                |                                |
| Fire  | -                                       | -                         | -                              | -                              | 1,246                          |
| Capital Outlay                                    | -                                       | -                         | 34,394                         | -                              | 444,098                        |
| Debt Service:                                     |   |                           |                                |                                |                                |
| Principal Retirement                              | -                                       | -                         | -                              | -                              | 455,763                        |
| Interest and Fiscal Charges                       | -                                       | -                         | -                              | -                              | 104,542                        |
| Total Expenditures                                | <u>-</u>                                | <u>-</u>                  | <u>34,394</u>                  | <u>-</u>                       | <u>1,005,727</u>               |
| Excess (Deficiency) of Revenues Over Expenditures | -                                       | -                         | (34,394)                       | -                              | (719,360)                      |
| Other Financing Sources (Uses):                   |   |                           |                                |                                |                                |
| Transfers In                                      | 709                                     | -                         | 34,266                         | -                              | 625,676                        |
| Transfers Out                                     | -                                       | -                         | -                              | -                              | (123,156)                      |
| Total Other Financing Sources (Uses)              | <u>709</u>                              | <u>-</u>                  | <u>34,266</u>                  | <u>-</u>                       | <u>502,520</u>                 |
| Net Change in Fund Balance                        | 709                                     | -                         | (128)                          | -                              | (216,840)                      |
| Fund Balances, Beginning                          | <u>(709)</u>                            | <u>(30,558)</u>           | <u>228</u>                     | <u>(101)</u>                   | <u>2,372,962</u>               |
| Fund Balances, Ending                             | <u>\$ -</u>                             | <u>\$ (30,558)</u>        | <u>\$ 100</u>                  | <u>\$ (101)</u>                | <u>\$ 2,156,122</u>            |

**CITY OF PATTERSON, LOUISIANA**  
**Enterprise Fund**

**Schedule of Number of Utility Customers**  
**June 30, 2022**

Records maintained by the City indicated the following customers were being served during the months of June 2022 and 2021:

| <u>Department</u> | <u>2022</u> | <u>2021</u> |
|-------------------|-------------|-------------|
| Gas (metered)     | 1,388       | 1,404       |
| Water (metered)   | 2,584       | 2,596       |
| Sewerage          | 2,224       | 2,233       |
| Sanitation*       | 2,152       | 2,413       |

\* Reported in General Fund

**CITY OF PATTERSON, LOUISIANA**  
**Enterprise Fund**  
**Utility Fund**

**Comparative Departmental Analysis of Revenues and Expenses**  
**Years Ended June 30, 2022 and 2021**

|   | Totals              |                     | Gas                |                     |
|---|---------------------|---------------------|--------------------|---------------------|
|   | 2022                | 2021                | 2022               | 2021                |
| <b>Operating Revenues:</b>                |                     |                     |                    |                     |
| Charges for Services -                    |                     |                     |                    |                     |
| Customers                                 | \$ 2,800,319        | \$ 2,511,865        | \$ 894,588         | \$ 758,189          |
| Delinquent Charges                        | 70,054              | 68,888              | 22,379             | 20,793              |
| Commissions, Transfers, and Reconnections | 36,584              | 31,965              | 11,687             | 9,648               |
| Miscellaneous                             | <u>127,946</u>      | <u>109,678</u>      | <u>47,374</u>      | <u>41,857</u>       |
| Total Operating Revenue                   | <u>3,034,903</u>    | <u>2,722,396</u>    | <u>976,028</u>     | <u>830,487</u>      |
| <b>Operating Expenses:</b>                |                     |                     |                    |                     |
| Salaries                                  | 966,971             | 924,502             | 304,064            | 318,277             |
| Payroll Taxes                             | 57,264              | 62,976              | 19,203             | 21,704              |
| Retirement Contributions                  | 58,281              | 329,543             | 19,182             | 109,894             |
| Group Insurance                           | 75,388              | 233,821             | 10,002             | 68,266              |
| Uncollectible Billings                    | 16,231              | 10,827              | 5,121              | 3,091               |
| Gas Purchases                             | 278,764             | 154,305             | 278,764            | 154,305             |
| Chemicals and Agents                      | 285,436             | 177,795             | 1,629              | 1,946               |
| Repairs and Maintenance                   | 163,539             | 160,367             | 20,102             | 15,205              |
| Vehicle Expenses                          | 60,289              | 49,529              | 40,326             | 34,196              |
| Meters, Hardware & Lines                  | 85,904              | 76,310              | 20,036             | 24,523              |
| Professional Fees                         | 53,370              | 49,067              | 3,421              | 2,357               |
| Depreciation                              | 295,458             | 309,901             | 28,417             | 35,953              |
| Insurance                                 | 294,279             | 393,911             | -                  | -                   |
| Office Expense                            | 86,581              | 50,068              | 26,718             | 18,692              |
| Sewerage Treatment                        | 291,371             | 281,900             | -                  | -                   |
| Other                                     | 258,543             | 184,105             | 21,374             | 18,630              |
| Allocation of Administrative Expenses     | -                   | -                   | <u>268,918</u>     | <u>308,506</u>      |
| Total Operating Expenses                  | <u>3,327,669</u>    | <u>3,448,927</u>    | <u>1,067,277</u>   | <u>1,135,545</u>    |
| Operating Loss                            | (292,766)           | (726,531)           | <u>\$ (91,249)</u> | <u>\$ (305,058)</u> |
| <b>Nonoperating Revenues (Expenses):</b>  |                     |                     |                    |                     |
| Interest Income                           | 1,193               | 1,474               |                    |                     |
| Interest and Fiscal Charges               | <u>(1,861)</u>      | <u>(1,705)</u>      |                    |                     |
| Total Nonoperating Revenues (Expenses)    | <u>(668)</u>        | <u>(231)</u>        |                    |                     |
| Loss Before Operating Transfers           | (293,434)           | (726,762)           |                    |                     |
| Operating Transfers In (Out)              | <u>61,135</u>       | <u>12,400</u>       |                    |                     |
| Net Income (Loss)                         | <u>\$ (232,299)</u> | <u>\$ (714,362)</u> |                    |                     |

(continued)

**CITY OF PATTERSON, LOUISIANA**  
**Enterprise Fund**  
**Utility Fund**

**Comparative Departmental Analysis of Revenues and Expenses (continued)**  
**Years Ended June 30, 2022 and 2021**

|  | Water               |                     | Sewerage         |                     | Administrative |             |
|--|---------------------|---------------------|------------------|---------------------|----------------|-------------|
|  | 2022                | 2021                | 2022             | 2021                | 2022           | 2021        |
| <b>Operating Revenues:</b>             |                     |                     |                  |                     |                |             |
| Charges for Services -                 |                     |                     |                  |                     |                |             |
| Customers                              | \$ 1,261,967        | \$ 1,175,900        | \$ 643,764       | \$ 577,776          | \$ -           | \$ -        |
| Delinquent Charges                     | 31,570              | 32,249              | 16,105           | 15,846              | -              | -           |
| Commissions, Transfers, and Reconnecti | 16,487              | 14,964              | 8,410            | 7,353               | -              | -           |
| Miscellaneous                          | 55,778              | 48,776              | 24,794           | 19,045              | -              | -           |
| Total Operating Revenue                | <u>1,365,802</u>    | <u>1,271,889</u>    | <u>693,073</u>   | <u>620,020</u>      | <u>-</u>       | <u>-</u>    |
| <b>Operating Expenses:</b>             |                     |                     |                  |                     |                |             |
| Salaries                               | 375,817             | 332,610             | -                | -                   | 287,090        | 273,615     |
| Payroll Taxes                          | 22,664              | 23,596              | -                | -                   | 15,397         | 17,676      |
| Retirement Contributions               | 20,803              | 122,785             | -                | -                   | 18,296         | 96,864      |
| Group Insurance                        | 17,422              | 54,601              | -                | -                   | 47,964         | 110,954     |
| Uncollectible Billings                 | 7,314               | 5,177               | 3,796            | 2,559               | -              | -           |
| Gas Purchases                          | -                   | -                   | -                | -                   | -              | -           |
| Chemicals and Agents                   | 283,280             | 175,519             | 527              | 330                 | -              | -           |
| Repairs and Maintenance                | 102,938             | 67,900              | 39,123           | 76,155              | 1,376          | 1,107       |
| Vehicle Expenses                       | 11,882              | 11,155              | 4,364            | 3,844               | 3,717          | 334         |
| Meters, Hardware & Lines               | 52,685              | 48,607              | 12,868           | 2,399               | 315            | 781         |
| Professional Fees                      | -                   | -                   | 4,339            | 5,078               | 45,610         | 41,632      |
| Depreciation                           | 173,246             | 173,736             | 92,324           | 98,602              | 1,471          | 1,610       |
| Insurance                              | -                   | -                   | -                | -                   | 294,279        | 393,911     |
| Office Expense                         | 35,823              | 19,311              | -                | -                   | 24,040         | 12,065      |
| Sewerage Treatment                     | -                   | -                   | 291,371          | 281,900             | -              | -           |
| Other                                  | 117,747             | 74,959              | 17,186           | 18,991              | 102,236        | 71,525      |
| Allocation of Administrative Expenses  | 379,354             | 478,472             | 193,519          | 235,096             | (841,791)      | (1,022,074) |
| Total Operating Expenses               | <u>1,600,975</u>    | <u>1,588,428</u>    | <u>659,417</u>   | <u>724,954</u>      | <u>-</u>       | <u>-</u>    |
| Operating Loss                         | <u>\$ (235,173)</u> | <u>\$ (316,539)</u> | <u>\$ 33,656</u> | <u>\$ (104,934)</u> | <u>\$ -</u>    | <u>\$ -</u> |

**CITY OF PATTERSON, LOUISIANA**

**Schedule of Insurance in Force**

**June 30, 2022**

| Description of Coverage  | Coverage Amounts          |
|--|---------------------------|
| Workmen's Compensation -<br>Employer's liability   | Statutory<br>\$ 1,000,000 |
| Surety Bonds -   |                           |
| Ms. Midge Bourgeois  | 25,000                    |
| Ms. Angie Landry   | 5,000                     |
| Public employees   | 5,000                     |
| Public right-of-way  | 1,528                     |
| Policemen's Professional Liability   | 1,000,000                 |
| Comprehensive General Liability, Bodily Injury,<br>and Property Damage                                       | 1,000,000                 |
| Comprehensive Automobile Liability   | 1,000,000                 |
| Fire, Lightning, and Extended Coverage -<br>Buildings and contents, all risks except flood<br>and earthquake | 6,593,490                 |
| Flood  |                           |
| Building and contents, limits vary per location  | 2,400,000                 |
| Excess flood coverage, City Hall/Jail Complex  | 1,474,900                 |
| Summer Recreation Program -  |                           |
| Death and dismemberment  | 3,000                     |
| Medical expense  | 10,000                    |
| Public officials errors and omissions  | 3,000,000                 |
| Inland Marine  |                           |
| Various Schedule D equipment   | Varies                    |
| Umbrella   | 4,000,000                 |

**CITY OF PATTERSON, LOUISIANA**

**Schedule of Interest-Bearing Deposits-All Funds  
June 30, 2022**

|   | <u>Term</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Total<br/>Amount</u> |
|---|-------------|----------------------|----------------------|-------------------------|
| <b>General Fund:</b>                            |             |                      |                      |                         |
| Insured Money Market                            | N/A         | N/A                  | 0.100%               | \$ 12,483               |
| Insured Money Market                            | N/A         | N/A                  | 0.100%               | 8                       |
| Insured Money Market                            | N/A         | N/A                  | 0.100%               | 603                     |
| Insured Money Market                            | N/A         | N/A                  | 0.100%               | 11,194                  |
| Insured Money Market                            | N/A         | N/A                  | 0.000%               | 212                     |
| Insured Money Market                            | N/A         | N/A                  | 0.100%               | 7,723                   |
| Insured Money Market                            | N/A         | N/A                  | 0.100%               | 25,594                  |
| Savings   | N/A         | N/A                  | 0.100%               | 313                     |
| Savings   | N/A         | N/A                  | 0.100%               | 5,381                   |
| Certificate of Deposit - Patterson State Bank   | 31 days     | 7/6/2022             | 0.100%               | 45,000                  |
| Certificate of Deposit - Patterson State Bank   | 31 days     | 7/4/2022             | 0.100%               | 50,000                  |
| Certificate of Deposit - Patterson State Bank   | 91 days     | 8/17/2022            | 0.100%               | 30,000                  |
| Certificate of Deposit - Patterson State Bank   | 182 days    | 7/28/2022            | 0.100%               | 796                     |
| Certificate of Deposit - Patterson State Bank   | 181 days    | 10/26/2022           | 0.100%               | 238,842                 |
| Certificate of Deposit - Patterson State Bank   | 182 days    | 7/28/2022            | 0.100%               | 86,487                  |
| Certificate of Deposit - Patterson State Bank   | 31 days     | 7/10/2022            | 0.100%               | <u>500,000</u>          |
|   |             |                      |                      | <u>1,014,636</u>        |
| <b>Special Revenue Funds:</b>                   |             |                      |                      |                         |
| <b>Sewerage and Solid Waste Sales Tax Fund:</b> |             |                      |                      |                         |
| Insured Money Market                            | N/A         | N/A                  | 0.100%               | 441,702                 |
| Certificate of Deposit - Patterson State Bank   | 182 days    | 8/2/2022             | 0.100%               | 155,000                 |
| Certificate of Deposit - Patterson State Bank   | 1 year      | 8/2/2022             | 0.100%               | <u>4,895</u>            |
|   |             |                      |                      | <u>601,597</u>          |
| <b>Ad Valorem Tax Collection Fund:</b>          |             |                      |                      |                         |
| Savings   | N/A         | N/A                  | 0.100%               | <u>16,689</u>           |
| <b>Fire Department Equipment Fund:</b>          |             |                      |                      |                         |
| Insured Money Market                            | N/A         | N/A                  | 0.100%               | 168,128                 |
| Certificate of Deposit - Patterson State Bank   | 90 days     | 7/14/2022            | 0.100%               | 25,000                  |
| Certificate of Deposit - Patterson State Bank   | 1 year      | 9/24/2022            | 0.250%               | <u>76,221</u>           |
|   |             |                      |                      | <u>269,349</u>          |
| <b>Total Special Revenue Funds</b>              |             |                      |                      | <u>887,635</u>          |

(continued)

**CITY OF PATTERSON, LOUISIANA**

**Schedule of Interest-Bearing Deposits-All Funds (continued)  
June 30, 2022**

|  | <u>Term</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Total<br/>Amount</u> |
|--|-------------|----------------------|----------------------|-------------------------|
| <b>Debt Service Funds:</b>                                       |             |                      |                      |                         |
| Public Improvement Bonds Fund -<br>Insured Money Market          | N/A         | N/A                  | 0.100%               | <u>3,796</u>            |
| <b>Sales Tax Revenue Refunding Bonds Series -</b>                |             |                      |                      |                         |
| Insured Money Market   | N/A         | N/A                  | 0.100%               | 138,862                 |
| Certificate of Deposit - Patterson State Bank                    | 182 days    | 10/22/2022           | 0.100%               | <u>274,231</u>          |
|  |             |                      |                      | <u>413,093</u>          |
| <b>Sales Tax Sinking Fund -</b>                                  |             |                      |                      |                         |
| Insured Money Market   | N/A         | N/A                  | 0.100%               | <u>877</u>              |
|  |             |                      |                      | <u>877</u>              |
| <b>1966, 1967, 1969, 1980 AND 1982 Paving Assessment Funds -</b> |             |                      |                      |                         |
| Savings  | N/A         | N/A                  | 0.100%               | 106                     |
| Certificate of Deposit - Patterson State Bank                    | 182 days    | 7/28/2022            | 0.100%               | 54,918                  |
| Certificate of Deposit - Patterson State Bank                    | 182 days    | 7/25/2022            | 0.100%               | 56,920                  |
| Certificate of Deposit - Patterson State Bank                    | 182 days    | 7/25/2022            | 0.100%               | <u>22,600</u>           |
|  |             |                      |                      | <u>134,544</u>          |
| <b>1990 Street Paving Project -</b>                              |             |                      |                      |                         |
| Insured Money Market   | N/A         | N/A                  | 0.100%               | <u>46</u>               |
|  |             |                      |                      | <u>552,356</u>          |
| <b>Capital Projects Funds:</b>                                   |             |                      |                      |                         |
| 1980 Drainage Project Fund -<br>Insured Money Market             | N/A         | N/A                  | 0.100%               | <u>119,641</u>          |
| <b>Regional Sewerage Facility Project Fund -</b>                 |             |                      |                      |                         |
| Insured Money Market   | N/A         | N/A                  | 0.000%               | 15,524                  |
| Certificate of Deposit - Patterson State Bank                    | 182 days    | 8/2/2022             | 0.100%               | 20,000                  |
| Certificate of Deposit - Patterson State Bank                    | 182 days    | 7/25/2022            | 0.100%               | <u>80,857</u>           |
|  |             |                      |                      | <u>116,381</u>          |
| <b>Third Street Paving Project Fund -</b>                        |             |                      |                      |                         |
| Insured Money Market   | N/A         | N/A                  | 0.100%               | <u>2</u>                |
| <b>Murphy Street Paving Project Fund -</b>                       |             |                      |                      |                         |
| Insured Money Market   | N/A         | N/A                  | 0.100%               | <u>36,526</u>           |

(continued)

**CITY OF PATTERSON, LOUISIANA**

**Schedule of Interest-Bearing Deposits-All Funds (continued)  
June 30, 2022**

|  | <u>Term</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Total<br/>Amount</u> |
|--|-------------|----------------------|----------------------|-------------------------|
| Sales Tax Bond Construction Fund -<br>Insured Money Market | N/A         | N/A                  | 0.000%               | <u>387</u>              |
| Total Capital Projects Funds                               |             |                      |                      | <u>272,937</u>          |
| Utility Funds:   |             |                      |                      |                         |
| Insured Money Market                                       | N/A         | N/A                  | 0.100%               | 36,251                  |
| Insured Money Market                                       | N/A         | N/A                  | 0.100%               | 36,520                  |
| Insured Money Market                                       | N/A         | N/A                  | 0.100%               | 99,135                  |
| Savings  | N/A         | N/A                  | 0.100%               | 7,464                   |
| Savings  | N/A         | N/A                  | 0.100%               | 36,112                  |
| Certificate of Deposit - Patterson State Bank              | 182 days    | 10/21/2022           | 0.100%               | 140,275                 |
| Certificate of Deposit - Patterson State Bank              | 182 days    | 7/30/2022            | 0.100%               | 46,830                  |
| Certificate of Deposit - Patterson State Bank              | 90 days     | 8/25/2022            | 0.120%               | <u>500,000</u>          |
|  |             |                      |                      | <u>902,587</u>          |
| Total - All Funds  |             |                      |                      | <u>\$ 3,630,151</u>     |

**INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS**

# WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

Certified Public Accountants  
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P.O. Box 80569 • Lafayette, Louisiana 70598-0569  
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## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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TRAVIS M. BRINSKO, CPA \*

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TINA B. VIATOR, CPA

ALLEN BLAZE WYBLE, CPA

To the Honorable Rodney Grogan, Mayor  
and Members of the City Council  
City of Patterson, 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 and each major fund of the City of Patterson, Louisiana as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Patterson's basic financial statements, and have issued our report thereon dated May 12, 2023.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Patterson'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 of Patterson'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. We identified a deficiency in internal control, described in the accompanying schedule of audit results and findings as item 2022-001, that we consider to be a material weakness.

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

As part of obtaining reasonable assurance about whether City of Patterson’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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of audit results and findings as items 2022-002 and 2022-003.

## **City of Patterson’s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Patterson’s response to the findings identified in our audit and described in the accompanying schedule of audit results and findings. City of Patterson’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 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.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, L.L.C.  
Certified Public Accountants

May 12, 2023  
Lafayette, Louisiana

# WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

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## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS FOR AN ALTERNATIVE COMPLIANCE EXAMINATION FOR RECIPIENTS OF CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS AND INTERNAL CONTROL OVER THE SPECIFIED REQUIREMENTS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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ALLEN BLAZE WYBLE, CPA

To the Honorable Rodney Grogan, Mayor  
and Members of the City Council  
City of Patterson, Louisiana

We have examined the City of Patterson, Louisiana's (hereinafter "City") compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2021 OMB Compliance Supplement, including Addendum 1 and Addendum 2 (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended June 30, 2022. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the City and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, the City complied, in all material respects, with the specified requirements referenced above during the year ended June 30, 2022.

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

In accordance with Government Auditing Standards, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control, fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements that have a material effect on the City's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on the City's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under Government Auditing Standards.

**Intended Purpose**

The purpose of this examination report is solely to express an opinion on whether the City complied, in all material respects, with the specified requirements referenced above during the year ended June 30, 2022. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, L.L.C.  
Certified Public Accountants

May 12, 2023  
Lafayette, Louisiana

**CITY OF PATTERSON, LOUISIANA**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2022**

2021-001 – Material Adjustments to the Financial Statements

CONDITION: During the performance of audit procedures, audit adjustments were proposed to correct misstatements that, individually and in the aggregate, were material to the City's financial statements.

CURRENT STATUS: This finding was not resolved and will be reiterated in the year ended June 30, 2022.

2021-002 – Violation of Local Government Budget Act

CONDITION: Expenditures in the Sewer and Solid Waste Sales Tax Fund exceeded budgeted appropriations by greater than five percent.

CURRENT STATUS: This finding was only applicable to the year ended June 30, 2021.

**CITY OF PATTERSON, LOUISIANA**

**Schedule of Audit Results and Findings (continued)  
Year Ended June 30, 2022**

Part 1: Summary of Auditor's Results

Financial Statements

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

| <u>Opinion Unit</u>                  | <u>Type of Opinion</u> |
|--------------------------------------|------------------------|
| Governmental activities              | Unmodified             |
| Business-type activities             | Unmodified             |
| Major funds:                         |                        |
| General                              | Unmodified             |
| Sewerage and Solid Waste Sales Tax   | Unmodified             |
| Ad Valorem Tax Collection            | Unmodified             |
| Utility                              | Unmodified             |
| Aggregate remaining fund information | Unmodified             |

2. Internal control over financial reporting:

|   |                   |                            |
|---|-------------------|----------------------------|
| Material weakness(es) identified?       | <u>  ✓  </u> yes  | <u>      </u> no           |
| Significant deficiency(ies) identified? | <u>      </u> yes | <u>  ✓  </u> none reported |

3. Noncompliance material to the financial statements?   ✓   yes        no

Alternative Compliance Examination

4. Program and type of opinion issued:

| <u>Assistance Listing Number</u> | <u>Name of Program</u>                            | <u>Type of Opinion</u> |
|----------------------------------|---|------------------------|
| 21.027                           | Conoravirus State and Local Fiscal Recovery Funds | Unmodified             |

5. Internal control over the specified requirements:

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

Other

6. Management letter issued?   ✓   yes        no

Part 2: Findings Relating to an Audit in Accordance with Government Auditing Standards

**CITY OF PATTERSON, LOUISIANA**

**Schedule of Audit Results and Findings (continued)  
Year Ended June 30, 2022**

2022-001 - Material Adjustments to the Financial Statements

YEAR INITIALLY OCCURRING: 2012

CONDITION: During the performance of audit procedures, audit adjustments were proposed to correct misstatements that, individually and in the aggregate, were material to the City's financial statements.

CRITERIA: Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of the entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

A deficiency in internal control is defined as a condition where 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. It defines a material weakness as a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements may not be prevented, or detected and corrected, on a timely basis.

The identification by the auditor of a material misstatement of the financial statements under audit in circumstances that indicate that the misstatement would not have been detected by the City's internal control is an indicator of a material weakness in internal control.

CAUSE: The cause of the condition is failure by management to design and implement effective internal controls such that there is a reasonable possibility that a material misstatement will be prevented or detected and corrected on a timely basis by management or employees, in the normal course of performing their assigned functions.

EFFECT: The effect of the condition is that financial statements may contain a material misstatement that is not detected and corrected.

RECOMMENDATION: The City should develop and implement procedures to ensure that material misstatements in the financial statements are identified and corrected in a timely manner.

2022-002 – Local Government Budget Act

YEAR INITIALLY OCCURRING: 2020

CONDITION: Expenditures in the General Fund, Ad Valorem Tax Collection Fund, and Sewerage and Solid Waste Sales Tax Fund exceeded budgeted appropriations by greater than five percent in each fund.

CRITERIA: R.S. 39:1311 et seq. Budgetary Authority and Control, provides for the following:

**CITY OF PATTERSON, LOUISIANA**

**Schedule of Audit Results and Findings (continued)  
Year Ended June 30, 2022**

“A. The adopted budget and any duly authorized amendments shall form the framework from which the chief executive or administrative officers and members of the governing authority of the political subdivision shall monitor revenues and control expenditures. The chief executive or administrative officer shall advise the governing authority or independently elected official in writing when:

- (1) Revenue collections plus projected revenue collections for the remainder of the year, within a fund, fail to meet estimated annual revenues by five percent or more.
- (2) Actual expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more.
- (3) Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and beginning fund balance is being used to fund current expenditures.”

CAUSE: The condition results from the failure to amend the operating budget for expenditures and transfers when they exceed budgeted appropriations by greater than five percent.

EFFECT: The City is not in compliance with the Local Government Budget Act.

RECOMMENDATION: The City should implement procedures to ensure that budgets are amended when required.

2022-003 – Late Submission of Audit Report

YEAR INITIALLY OCCURRING: 2022

CONDITION: The City’s audit report was not completed and submitted to the Office of the Legislative Auditor within six months of the City’s fiscal year end.

CRITERIA: R.S. 24:513 et seq. provides for the following: “Such audits shall be completed within six months of the close of the entity’s fiscal year.”

CAUSE: The condition results from a failure to comply with state statutes.

EFFECT: The City is not in compliance with R.S. 24:513 et seq.

RECOMMENDATION: The City should institute policies and procedures to ensure that its audit report is completed and submitted to the Office of the Legislative Auditor within six months of year end.

Part 3: Findings and Questioned Costs Reported in Accordance with Uniform Guidance

The requirements of the Uniform Guidance are not applicable.

**CITY OF PATTERSON, LOUISIANA**

**Schedule of Audit Results and Findings (continued)  
Year Ended June 30, 2022**

Part 4: Findings Reported in Accordance with the Requirements for an Alternative Compliance Examination

A. Compliance with Specified Requirements –

None

B. Internal Control over Compliance with Specified Requirements –

None

**CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS**

**APPENDIX A**

# CITY OF PATTERSON

PATTERSON, LOUISIANA  
70392

1314 Main Street P. O. Box 367  
Phone (985) 395-5205  
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**MAYOR**

Rodney A. Grogan

**CITY CLERK**

Midge Bourgeois

**COUNCIL**

DeMale Bowden Jr  
Lee A. Condolle  
Ray Dewey Sr.  
Mamie Perry  
Miranda Weinbach

May 12, 2023

Wright, Moore, Dehart,  
Dupuis & Hutchinson, LLC  
100 Petroleum Drive  
Lafayette, LA 70598

Re: Responses to Audit Findings

Dear Sirs:

The following represents the City's response and planned corrective action to the findings expressed in your audit of the City's financial statements for the year ended June 30, 2022.

**Finding 2022-001 – Material Adjustments to the Financial Statements**

Accounting activities are being performed on a timely basis and errors have been substantially reduced. The City's financial staff attempts to capture all transactions prior to closing its books. Additionally, the City intends to contract with an external accountant to assist with closing the books and preparation for its annual audit, including conversion of its books from cash basis to the accrual/modified accrual basis of accounting, performing necessary computations required by GASB accounting standards, and necessary conversions required by GASB Statement No. 34.

**Finding 2022-002 – Violation of the Local Government Budget Act**

In the future, the City's financial staff will monitor revenues and expenditures in its General Fund and major Special Revenue Funds to ensure that budget amendments adopted will cause the City to be in compliance with the budget laws.

**Finding 2022-003 – Late Submission of Audit Report**

The City's late submission of its audit report to the Legislative Auditor was due to delays in completing the financial audit relating to recognition and reporting of its American Rescue Plan Act (ARPA) funds. Management anticipates that with the assistance of the contracted external accountant future audits will be completed and submitted in a timely manner.

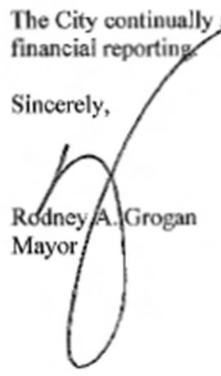
City of Patterson is an Equal Opportunity Provider and Employer

Wright, Moore, Dehart,  
Dupuis & Hutchinson, LLC  
Page 2

The City continually seeks to implement the significant organizational changes necessary to ensure sound financial reporting.

Sincerely,

Rodney A. Grogan  
Mayor

A handwritten signature in black ink, appearing to read "Rodney A. Grogan", is written over the printed name and extends upwards into the line of text above.

**City of Patterson**  
Patterson, Louisiana

Independent Accountants' Report  
On Applying Agreed-Upon Procedures

Year Ended June 30, 2022

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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To the Board of Directors and Management  
City of Patterson  
Patterson, Louisiana

We have performed the procedures enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 01, 2021, through June 30, 2022. City of Patterson's management is responsible for those control and compliance areas identified in the SAUPs.

City of Patterson has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating management's assertions about City of Patterson's compliance with certain laws, regulations, and best practices. Additionally, the Legislative Auditor, State of Louisiana, 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 the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

*Written policies and procedures were obtained and 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**, 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.

*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 regarding payroll and personnel; however, policies and procedures do not address one (1) of the three (3) 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 and address the functions noted above.*

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

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

- 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 regarding ethics; however, policies and procedures do not address one (1) of the four (4) functions noted above.*

- 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 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 address the functions noted above.*

- l) **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 do not address the functions noted above regarding Sexual Harassment.*

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

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- 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.

*No exceptions were noted during testing of these procedures.*

- b) For those entities reporting on the governmental accounting model, observe that 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.

*No exceptions were noted during testing of these procedures.*

- 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.

*No exceptions were noted during testing of these procedures.*

#### ***Bank Reconciliations***

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- 3. Obtain a listing of client bank accounts 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 bank accounts 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);

*No exceptions were noted during the testing of these procedures.*

- 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

*Bank reconciliations showed no evidence of review from management or board members.*

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

*Four (4) of the five (5) accounts tested showed no evidence of researching long outstanding items.*

### **Collections**

---

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 listing of deposit sites 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 that are responsible for cash collections do not share cash drawers/registers.

*No exceptions were found as a result of this procedure.*

- 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.

*No exceptions were found as a result of this procedure.*

- 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.

*No exceptions were found as a result of this procedure.*

- 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.

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

*No exceptions were found as a result of this procedure.*

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*No exceptions were found as a result of this procedure.*

- c) Trace the deposit slip total to the actual deposit per the bank statement.

*No exceptions were found as a result of this procedure.*

- d) Observe that 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).

*No exceptions were found as a result of this procedure.*

- e) Trace the actual deposit per the bank statement to the general ledger.

*No exceptions were found as a result of this procedure.*

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

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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 listing 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.

*No exceptions were found as a result of this procedure.*

b) At least two employees are involved in processing and approving payments to vendors.

*No exceptions were found as a result of this procedure.*

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.

*No exceptions were found as a result of this procedure.*

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.

*The City's policies do not explicitly state that the employee/official responsible for signing checks mail the payment or give the signed checks to an employee who does not have payment processing privileges.*

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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

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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 listing 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 that 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) was 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.]]

*Statements and all supporting documents were not approved in writing by someone other than the cardholder for two (2) of the five (5) cards tested.*

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

*No exceptions were found as a result of this procedure.*

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 that 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).

*Original detailed/itemized receipt identifying precisely what was purchased was not present for three (3) of the fourteen (14) transactions tested. Written documentation of the business/public purpose was not present for three (3) of the fourteen (14) transactions tested.*

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

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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 and management's representation that the listing is complete.*

- a) If reimbursed using a per diem, agree the reimbursement rate to 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 were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- c) Observe that 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).

*No exceptions were found as a result of this procedure.*

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

*No approval or signatory evidence of another reviewer other than the person receiving the reimbursement was presented.*

### **Contracts**

- 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 listing and management's representation that the listing is complete.*

- a) Observe that 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 were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- 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 that the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions were found as a result of this procedure.*

## *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 listing and management's representation that the listing is complete.*

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

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*No exceptions were found as a result of this procedure.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

*Four (4) of the five (5) employees did not have written documentation evidencing management's approval.*

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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 policy on termination payments. Agree the hours to the employee or officials' cumulate 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 were found as a result of this procedure.*

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.

*Payroll related reports were filed timely. However, amounts were not paid by required deadlines.*

### ***Ethics (excluding nonprofits)***

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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 that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*No exceptions were noted as a result of these procedures.*

- b. Observe that 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.

*No exceptions were noted as a result of this procedure.*

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

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

*No bonds/notes were issued during the current 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 were noted as a result of these procedures.*

### ***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.

*Management has asserted that the entity did not have any misappropriations of public funds or assets.*

24. Observe that 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.

*No exceptions were found as a result of this procedure.*

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

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25. Perform the following procedures, verbally discuss the results with management, and report **“We performed the procedure and discussed the results with management.”**

- 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.

*No exceptions were noted as a result of this procedure.*

- 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.

*No exceptions were noted as a result of this procedure.*

- 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.

*No exceptions were noted as a result of this procedure.*

### ***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 that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

*No exceptions were noted as a result of this procedure.*

27. Observe that 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).

*The City did not post their sexual harassment policy and complaint procedures on their website.*

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 that 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 were noted as a result of this procedure.*

We were engaged by City of Patterson 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. 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 management's financial records and compliance with applicable laws and regulations. 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 City of Patterson 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 for the information and use City of Patterson and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than those specified parties.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
Certified Public Accountants

Lafayette, Louisiana  
February 3, 2023

# CITY OF PATTERSON

PATTERSON, LOUISIANA  
70392

1314 Main Street P. O. Box 367

Phone (985) 395-5205

Fax (985) 395-8305

## MAYOR

Rodney A. Grogan

## CITY CLERK

Midge Bourgeois

## COUNCIL

DeMale Bowden Jr

Lee A. Condolle

Ray Dewey Sr.

Mamie Perry

Miranda Weinbach

February 3, 2023

Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC  
P.O. Box 80569  
Lafayette, LA 70598

The following is Management's response to the 2022 agreed upon procedures report submitted.

### WRITTEN POLICIES AND PROCEDURES

1. e), i), and l) - Management is in the process of reviewing and revising all current policies and procedures and making modifications as determined to be necessary.

### BANK RECONCILIATIONS

3. b) and c) - Management will address and determine the necessary mitigating controls for these exceptions.

### DISBURSEMENTS

9. d) - Management will address and determine the necessary mitigating controls for this exception.

### CREDIT CARDS

12. a) - Management will address and determine the necessary mitigating controls for this exception.
13. a1) and a2) - Management will address and determine the necessary mitigating controls for these exceptions.

### TRAVEL

14. d) - Management will address and determine the necessary mitigating controls for this exception.

### PAYROLL

17. b) - Management will address and determine the necessary mitigating controls for this exception.
19. Management will address and determine the necessary mitigating controls for this exception.

### SEXUAL HARASSMENT

27. - Management will address and determine the necessary mitigating controls for this exception.

If any additional information is needed, please do not hesitate to contact me.

Rodney Grogan  
Mayor

A handwritten signature in blue ink, appearing to read "Rodney Grogan", is written over the printed name and title. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

# WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

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## MANAGEMENT LETTER

The Honorable Rodney Grogan, Mayor  
and Members of the City Council  
City of Patterson, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Patterson, Louisiana (hereinafter "City") as of and for the year ended June 30, 2022 and have issued or report thereon dated May 12, 2023.

In planning and performing our audit of the financial statements of the City in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the City's internal control or on its compliance with laws, regulations, contracts, and grant agreements and other matters. Accordingly, we do not express an opinion on the effectiveness of the City's internal control or on compliance.

During our audit we noted certain matters involving internal control or compliance that are summarized below for your consideration. These comments and related recommendations are intended to improve the City's control and its compliance with laws, regulations, contracts, and grant agreements and other matters. Our comments are not intended to reflect on the integrity or the ability of the City's personnel.

### 2022-ML-1 Late Payments of Payroll Tax Deposits

In several instances throughout the year, the City was delinquent in remitting payroll tax payments to federal and state tax authorities.

We recommend that the City remit its payroll tax payments prior to required due dates to avoid unnecessary penalties and interest.

2022-ML-2 Late Payments of Lease Obligations

In multiple instances throughout the year, the City remitted semi-annual lease payments after the due date resulting in additional interest charges.

We recommend that the City ensure that its lease payments are remitted prior to scheduled due dates to avoid the incurrence of additional interest charges.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not identify all weaknesses in policies and procedures or incidents of noncompliance that may exist. We aim, however, to use our knowledge of the City's operations gained during our work to make comments and suggestions that we hope will be useful to you.

This report is intended solely for the information and use of the City's management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

We would like to express our appreciation to you and your staff for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need additional assistance, please feel free to contact us.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
Certified Public Accountants

Lafayette, Louisiana  
May 12, 2023

# CITY OF PATTERSON

PATTERSON, LOUISIANA  
70392

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## MAYOR

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May 12, 2023

Wright, Moore Dehart,  
Dupuis & Hutchinson, LLC  
100 Petroleum Drive  
Lafayette, LA 70508

Re: Responses to Management Letter Comments

Dear Sirs:

The following represents the City's response and planned corrective action to the comment expressed in the management letter included with your audit of the City's financial statements for the year ended June 30, 2022.

### 2022-ML-1 – Late Payments of Payroll Tax Deposits

While all applicable payroll taxes have been remitted, the City failed to follow the requirements of regulatory authorities with regard to due dates for remitting taxes. As a result, the City incurred penalties and interest for late payment. In the future, the City will seek to implement policies and procedures to ensure that payroll taxes are remitted to the Internal Revenue Service immediately after the applicable payroll date so as to not incur unnecessary penalties and interest.

### 2022-ML-2 – Late Payments of Lease Obligations

Due to oversights, the City, on occasion, has remitted some payments under its lease obligations after the due date resulting in unnecessary additional interest charges. In response, the City has implemented a reminder system under which management is alerted to upcoming bond and lease due dates in sufficient time as to allow for the payments to be submitted in a timely manner.

Sincerely,

Rodney A. Grogan  
Mayor