

CITY OF PORT ALLEN, LOUISIANA
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023



TABLE OF CONTENTS

	<u>STATEMENT</u>	<u>PAGE</u>
<u>INDEPENDENT AUDITORS' REPORT</u>		1 – 4
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS</u>		5 – 14
<u>BASIC FINANCIAL STATEMENTS:</u>		
GOVERNMENTAL-WIDE FINANCIAL STATEMENTS		
Statement of Net Position	A	15
Statement of Activities.....	B	16
FUND FINANCIAL STATEMENTS		
Governmental Funds:		
Balance Sheet	C	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	D	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	20
Proprietary Funds:		
Statement of Net Position - Proprietary Funds	G	21-22
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	H	23
Statement of Cash Flows - Proprietary Funds	I	24-25
Component Unit:		
Statement of Net Position — Component Unit	J	26
Statement of Activities — Component Unit.....	K	27
NOTES TO FINANCIAL STATEMENTS		28-71
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>		
<u>SCHEDULE</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – General Fund	1	72
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual— Low Income Housing Fund.....	2	73
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual —Municipal Complex Debt Service Fund.....	3	74

Schedule of Changes in Net OPEB Liability and Related Ratios	4	75
Schedule of Employer’s Proportionate Share of the Net Pension Liability	5	76
Schedule of Employer’s Pension Contributions.....	6	77
Notes to Required Supplementary Information.....		78-79

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE

Schedule of Compensation Paid to City Council	7	80
Schedule of Compensation, Benefits, and Other Payments to Agency Head	8	81
Justice System Funding Schedule – Receiving Entity	9	82
Schedule of Insurance in Force	10	83
Schedule of Statistical Data.....	11	84

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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 <i>Government Auditing Standards</i>		85-86
Independent Accountants’ Report on Compliance for the U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Program (CSLFRF) Requirements for an Alternative CSLFRF Compliance Examination Engagement.....		87-88
Schedule of Findings and Responses.....		89-91
Summary Schedule of Prior Year Findings.....		92-93

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Port Allen, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit and each major fund, of the City of Port Allen, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise of the City of Port Allen, Louisiana's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, and each major fund, of the City of Port Allen, Louisiana as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Port Allen, Louisiana, 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 these 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 City of Port Allen, Louisiana'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.



To the Honorable Mayor and Members of the City Council
City of Port Allen, Louisiana
February 26, 2024

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Port Allen, Louisiana'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 of Port Allen, Louisiana'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.



To the Honorable Mayor and Members of the City Council
City of Port Allen, Louisiana
February 26, 2024

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-14 and budgetary comparison information, the schedule of changes in net OPEB liability and related ratios, the schedule of employer's proportionate share of the net pension liability, the schedule of employer's pension contributions, and related notes to the required supplementary information on pages 72-79 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Port Allen, Louisiana's basic financial statements. The accompanying schedule of compensation paid to city council and schedule of compensation, benefits, and other payments to agency head is presented to comply with the Act 706 of the 2014 Louisiana Legislative Session and the accompanying schedule of justice system funding schedule are presented to comply with Act 87 of the 2020 Louisiana Legislative Session are presented for additional analysis and are not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Honorable Mayor and Members of the City Council
City of Port Allen, Louisiana
February 26, 2024

Other Information

Management is responsible for the other information contain in schedules of insurance in force and statistical data (Schedules 10 and 11). Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon in connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 a report dated February 26, 2024, on our consideration of the City of Port Allen Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 of Port Allen, Louisiana'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 City of Port Allen, Louisiana's internal control over financial reporting and compliance.

February 26, 2024
Baton Rouge, Louisiana

A handwritten signature in blue ink that reads "Erickson Krentel, LLP".

Certified Public Accountants

CITY OF PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

The Management's Discussion and Analysis of the City of Port Allen's financial performance presents a narrative overview and analysis of the City of Port Allen's financial activities for the year ended June 30, 2023. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with prior year's information. Please read this document in conjunction with the additional information contained in the City of Port Allen's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023 fiscal year include the following:

- The assets of the City of Port Allen exceeded its liabilities at the close of the most recent fiscal year by \$13,623,987 (net position). Of this amount, \$11,308,932 is either restricted or invested in assets that cannot be readily liquidated, the City has a unrestricted net position of \$2,315,055.
- The total net position of the City of Port Allen increased by \$691,625 for the year ended June 30, 2023, current operations. Net position of governmental activities increased by \$376,719 and net position of business-type activities increased by \$314,906.
- As of the close of the current fiscal year, the City of Port Allen's governmental funds reported combined ending fund balance of \$10,601,500, an increase of \$860,221 in comparison with the prior fiscal year. The majority of this fund balance is comprised of approximately \$10.2 million for the General Fund, \$0.1 million for Low-Income Housing Fund and \$0.3 million for the Municipal Complex Debt Service Fund.
- At the end of the current fiscal year, the unreserved and unassigned fund balance for the General Fund was \$7,378,657 or 131.0% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the reader to the City of Port Allen's basic financial statements. The City of Port Allen's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. Comparative data is presented when available.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City of Port Allen's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City of Port Allen's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Port Allen is improving or deteriorating.

CITY OF PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2023

The Statement of Activities presents information showing how the City of Port Allen's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The Statement of Net Position and the Statement of Activities distinguish functions of the City of Port Allen that are principally supported by taxes, intergovernmental revenues, and charges for services (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City of Port Allen's governmental activities include general government, public safety, roads and drainage, sanitation, culture, welfare, and City Court. The business-type activities of the City of Port Allen include water, gas, and sewerage.

Not only do the government-wide financial statements include the City of Port Allen itself, which is the primary government, but also its component unit, The City Court of Port Allen. Although the component unit is legally separate, its operational or financial relationship with the City of Port Allen makes the City of Port Allen financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Port Allen, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Port Allen can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Port Allen maintains three individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances.

CITY OF PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2023

The City of Port Allen adopts an annual appropriated budget for its governmental funds. Budgetary comparison schedules have been provided for certain of these funds to demonstrate compliance with these budgets.

Proprietary funds. There are two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the water, gas, and sewerage activities of the City, which are presented as business-type activities in the government-wide financial statements. The City of Port Allen uses two enterprise funds — one to account for its water and gas services, and one to account for its sewer services. The City of Port Allen has no internal service funds.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the water and gas and sewerage operations, which are considered to be major funds of the City of Port Allen.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Port Allen's compliance with budgets for its major funds.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Port Allen assets exceed liabilities by \$13,623,987 at the close of the most recent fiscal year.

A large portion of the City of Port Allen's net position (53.35 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Port Allen uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Port Allen's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2023

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 10,783,065	\$ 9,771,365	\$ 2,175,266	\$ 2,156,107	\$ 12,958,331	\$ 11,927,472
Restricted assets	445,354	381,970	1,970,138	1,309,628	2,415,492	1,691,598
Capital assets	3,964,860	3,948,704	7,832,243	7,610,279	11,797,103	11,558,983
Total assets	<u>15,193,279</u>	<u>14,102,039</u>	<u>11,977,647</u>	<u>11,076,014</u>	<u>27,170,926</u>	<u>25,178,053</u>
Deferred outflows	<u>1,807,870</u>	<u>972,439</u>	<u>565,720</u>	<u>392,203</u>	<u>2,373,590</u>	<u>1,364,642</u>
Current and other liabilities	826,919	607,056	380,314	585,433	1,207,233	1,192,489
Long-term liabilities	6,976,341	4,836,452	4,208,832	3,182,535	11,185,173	8,018,987
Total liabilities	<u>7,803,260</u>	<u>5,443,508</u>	<u>4,589,146</u>	<u>3,767,968</u>	<u>12,392,406</u>	<u>9,211,476</u>
Deferred inflows	<u>824,509</u>	<u>1,634,309</u>	<u>2,703,614</u>	<u>2,764,548</u>	<u>3,528,123</u>	<u>4,398,857</u>
Net position:						
Invested in capital assets, net of related debt	2,514,860	2,303,704	4,753,974	4,296,986	7,268,834	6,600,690
Restricted	3,140,098	3,087,630	900,000	900,000	4,040,098	3,987,630
Unrestricted	<u>2,718,422</u>	<u>2,605,327</u>	<u>(403,367)</u>	<u>(261,285)</u>	<u>2,315,055</u>	<u>2,344,042</u>
Total net position	<u>\$ 8,373,380</u>	<u>\$ 7,996,661</u>	<u>\$ 5,250,607</u>	<u>\$ 4,935,701</u>	<u>\$ 13,623,987</u>	<u>\$ 12,932,362</u>

At the end of the current fiscal year, the City of Port Allen is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The balance of unrestricted net position, \$2,315,055, may be used to meet the government's ongoing obligation to citizens and creditors. However, the City has more than the total of its net position either restricted or tied up in fixed assets, thus creating a deficit unrestricted net position in the business activity funds.

CITY OF PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2023

The City of Port Allen's net position increased by \$691,625 during the current fiscal year. The following is a summary of the City of Port Allen's changes in net position.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program revenues:						
Charges for services	\$ 631,185	\$ 585,733	\$ 3,707,254	\$ 3,752,036	\$ 4,338,439	\$ 4,337,769
Grants and contributions	762,113	837,225	229,737	-	991,850	837,225
General revenues:						
Property taxes	571,728	581,236	-	-	571,728	581,236
Franchise taxes	384,819	366,562	-	-	384,819	366,562
Business licenses	364,908	333,756	-	-	364,908	333,756
Intergovernmental revenues	4,346,735	4,362,509	-	-	4,346,735	4,362,509
Investment earnings	296,338	27,618	76,690	2,691	373,028	30,309
Other	151,549	228,408	59,404	52,852	210,953	281,260
Total revenues	<u>7,509,375</u>	<u>7,323,047</u>	<u>4,073,085</u>	<u>3,807,579</u>	<u>11,582,460</u>	<u>11,130,626</u>
Expenses						
General Government	1,437,675	871,196	-	-	1,437,675	871,196
Public Safety	2,178,182	1,499,328	-	-	2,178,182	1,499,328
Roads and Drainage	1,688,362	1,167,094	-	-	1,688,362	1,167,094
Depot Welcoming Center	9,868	6,647	-	-	9,868	6,647
Sanitation	635,261	603,012	-	-	635,261	603,012
Animal Control	70,869	68,404	-	-	70,869	68,404
Welfare	700,882	732,021	-	-	700,882	732,021
Community Development	158,639	124,836	-	-	158,639	124,836
Fleet Maintenance	231,168	105,614	-	-	231,168	105,614
Debt Service	21,750	91,002.00	-	-	21,750	91,002
Water, Sewage and Gas	-	-	3,758,179	3,051,770	3,758,179	3,051,770
Total expenses	<u>7,132,656</u>	<u>5,269,154</u>	<u>3,758,179</u>	<u>3,051,770</u>	<u>10,890,835</u>	<u>8,320,924</u>
Increase (decrease) before transfer	376,719	2,053,893	314,906	755,809	691,625	2,809,702
Transfers in (out)	-	-	-	-	-	-
Net increase (decrease)	376,719	2,053,893	314,906	755,809	691,625	2,809,702
Net position-beginning	<u>7,996,661</u>	<u>5,942,768</u>	<u>4,935,701</u>	<u>4,179,892</u>	<u>12,932,362</u>	<u>10,122,660</u>
Net position at end of year	<u>\$ 8,373,380</u>	<u>\$ 7,996,661</u>	<u>\$ 5,250,607</u>	<u>\$ 4,935,701</u>	<u>\$ 13,623,987</u>	<u>\$ 12,932,362</u>

CITY OF PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2023

GOVERNMENTAL ACTIVITIES

Revenues for the City of Port Allen's governmental activities for the year ended June 30, 2023, were \$7,509,375 compared to \$7,323,047 in the year ended June 30, 2022.

	<u>2023</u>	%	<u>2022</u>	%	<u>Var</u>
Charges for services	\$ 631,185	8%	\$ 585,733	8%	\$ 45,452
Grants and contributions	762,113	10%	837,225	11%	(75,112)
Property taxes	571,728	8%	581,236	8%	(9,508)
Franchise taxes	384,819	5%	366,562	5%	18,257
Business licenses	364,908	5%	333,756	5%	31,152
Investment earnings	296,338	4%	27,618	0%	268,720
Intergovernmental:					
Sales taxes	4,195,507	56%	4,228,618	58%	(33,111)
Other	151,228	2%	133,891	2%	17,337
Other	<u>151,549</u>	2%	<u>228,408</u>	3%	<u>(76,859)</u>
Total governmental activities revenues	<u>\$ 7,509,375</u>	100%	<u>\$ 7,323,047</u>	100%	<u>\$ 186,328</u>

BUSINESS-TYPE ACTIVITIES

The business-type activities of the City are those for which the City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's Water & Gas and Sewer funds are addressed here.

- Charges for services for the City's business-type activities were \$3,707,254 a decrease of \$44,782 mainly as a result of decreased gas sales.
- The City's business-type activities resulted in a total operating loss of \$8,492.
- The water & gas fund operating revenue decreased by \$63,238 as a result of a decrease in price of gas sales, while sewer operating revenue increased by \$27,261 as a result of an increase in sewer service charges.

CITY OF PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2023

TOTAL GOVERNMENTAL ACTIVITIES EXPENDITURES

The cost of all governmental activities this year was \$7,132,656, an increase of \$1,863,502. Key components of the decrease are summarized below:

	<u>2023</u>	%	<u>2022</u>	%	<u>Variance</u>
General government	1,437,675	27%	\$ 871,196	17%	\$ 566,479
Public safety	2,178,182	41%	1,499,328	28%	678,854
Fleet Maintenance	231,168	4%	105,614	2%	125,554
Roads and drainage	1,688,362	32%	1,167,094	22%	521,268
Community Development	158,639	3%	124,836	2%	33,803
Sanitation	635,261	12%	603,012	11%	32,249
Debt Service	21,750	0%	91,002	2%	(69,252)
Welfare	700,882	13%	732,021	14%	(31,139)
Other	<u>80,737</u>	2%	<u>75,051</u>	1%	<u>5,686</u>
Total governmental activities expenditures	<u>\$ 7,132,656</u>	100%	<u>\$ 5,269,154</u>	100%	<u>\$ 1,863,502</u>

FINANCIAL ANALYSIS OF THE CITY OF PORT ALLEN'S FUNDS

Governmental Funds

As noted earlier, the City of Port Allen uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City of Port Allen's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Port Allen's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a city's net resources available for spending at the end of the fiscal year.

- As of the close of the current fiscal year, the City of Port Allen's governmental funds reported a combined ending fund balance of \$10,601,500, an increase of \$860,221 in comparison with the prior fiscal year. Of this amount, \$7,3748,657 or 69.6% was unassigned and available for spending. \$3,222,843 or 30.4% was non-spendable, restricted, or committed to indicate that it is not available for new spending.
- The General Fund is the chief operating fund of the City of Port Allen. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$7,378,657. That amount is unassigned and is available for spending at the City Council's discretion. The total fund balance of the City of Port Allen's General Fund increased by \$818,904.
- The Low-Income Housing Assistance Fund accounts for all receipts and expenditures of funds received from the U.S. Department of Housing and Urban Development for rental assistance to low-income citizens who qualify. At the end of the current fiscal year, the fund balance of this fund was \$103,132, all of which is restricted for housing assistance.

CITY OF PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2023

- The Municipal Complex Debt Service Fund is operational through proceeds from debt and transfers from the Capital Improvements Fund of the City. At the end of the current fiscal year, the fund balance of this fund was \$324,209, all of which is restricted for debt service.

PROPRIETARY FUNDS

The Water & Gas Fund and the Sewer Fund net position increased by \$314,906 for the current year. The prior year's increase was \$755,809.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budget policy of the City of Port Allen complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 39:1301 etseq.).

The original budget for the General Fund of the City of Port Allen was adopted on June 9, 2021. Differences between the budget and the actual results of the General Fund are as follows:

Revenues

- General Fund revenues were \$1,289,153 (24.0%) higher than original and final budget estimates. Sales tax revenue was the largest contributor to those favorable budget variances.

Expenditures

- Total expenditures were \$78,326 (1.4%) lower than the original budget estimate and \$98,610 (1.7%) lower than the revised budget estimate, primarily due to lower expenditures for public safety and roads and drainage than was expected.

CAPTIAL ASSETS

The City's investment in capital assets for its governmental and business type activities as of June 30, 2023, amounts to \$11,797,103 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings and structures, furniture and fixtures, equipment and vehicles, the sewer system and wastewater treatment plant, and the water and gas systems. Due to its size, the City of Port Allen is not required to report infrastructure assets acquired before June 30, 2001. However, the City will continue to report new infrastructure assets in the year acquired.

CITY OF PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2023

Additional information on the City's capital assets can be found in Note 6 of this financial report.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land and Land improvements	\$ 686,051	\$ 686,051	\$ 22,237	\$ 22,237	\$ 708,288	\$ 708,288
Buildings and structures	2,825,669	2,961,433	81,537	90,231	2,907,206	3,051,664
Furniture and Fixtures	61,311	77,793	27,840	37,396	89,151	115,189
Equipment and vehicles	391,829	223,427	6,586	14,984	398,415	238,411
Wastewater treatment plant	-	-	1,308,716	1,369,336	1,308,716	1,369,336
Water System	-	-	1,150,193	1,164,688	1,150,193	1,164,688
Gas System	-	-	2,697,901	2,730,143	2,697,901	2,730,143
Sewer System	-	-	2,347,103	2,070,845	2,347,103	2,070,845
Construction in progress	-	-	190,130	110,419	190,130	110,419
Total	<u>\$3,964,860</u>	<u>\$3,948,704</u>	<u>\$7,832,243</u>	<u>\$7,610,279</u>	<u>\$11,797,103</u>	<u>\$11,558,983</u>

Major capital asset events during the fiscal year included the following:

- The purchase of 2 new police vehicles for \$70,266.
- The purchase of 1 new backhoe for the road & drainage department for \$146,590.
- Water and gas system improvements for \$114,043
- Sewer system improvements for \$434,453

LONG TERM DEBT

At the end of the current fiscal year, the City of Port Allen had total debt outstanding of \$9,956,271. Of this amount, \$1,450,000 comprises debt backed by the full faith and credit of the government, \$804,000 represents debt secured by specified revenue sources, \$372,629 represents the City's estimated liability for compensated absences, \$826,961 represents the City's estimated liability for other postemployment benefits and \$6,502,681 is the City's net pension liability. The following table summarizes debt outstanding at June 30, 2023.

	Long Term Debt					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenue Bonds Payable	\$ 1,450,000	\$ 1,645,000	\$ 804,000	\$ 900,000	\$ 2,254,000	\$ 2,545,000
Compensated Absences	245,081	268,832	127,548	141,799	372,629	410,631
Other Post Employment Benefit Obligations	616,568	567,549	210,393	237,551	826,961	805,100
Net Pension Liability	4,864,692	2,550,071	1,637,989	1,122,080	6,502,681	3,672,151
Total Long Term Debt	<u>\$ 7,176,341</u>	<u>\$ 5,031,452</u>	<u>\$ 2,779,930</u>	<u>\$ 2,401,430</u>	<u>\$ 9,956,271</u>	<u>\$ 7,432,882</u>

CITY OF PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2023

During the fiscal year, the City's long-term debt increased by \$2,523,389 due to (1) repayment of \$96,000 to the Department of Environmental Quality Revolving Loan Fund, (2) repayment of \$195,000 on bonds issued for the new city hall, (3) an overall decrease of \$38,002 in the estimated long term compensated absences (4) an overall increase of \$21,861 in the estimated liability for post-employment benefit obligations, and (5) an overall increase of \$2,830,530 of net pension liabilities.

For additional information regarding capital assets and long-term debt, see the notes to the basic financial statements.

ECONOMIC FACTORES AND NEXT YEAR'S BUDGETS AND RATES

The following economic factors were considered when the budget for fiscal year 2023-2024 was presented to the City Council:

On the revenue side of the budget, the administration is projecting a \$98,000 increase in overall revenues—the most significant coming from an increase in revenues in the City's utility systems.

Most of the capital expenditures are expected to be related to police and utility vehicles, road improvements, parks and recreation improvements and wastewater system enhancements. For the year ending June 30, 2024, the City of Port Allen is projecting a deficit in its General Fund after making required bond principal and interest payments on the Municipal Complex bond obligations and significant capital outlay investments. However, revenue remains steady with sales tax collections representing the largest resource. A significant portion of the capital outlay expenditures from the City's continuation of the road rehabilitation program accounts for approximately \$457,000 each year. The projected deficit in the Water and Gas Fund is expected to be \$28,000. The costs of benefits are expected to increase again this year. Upon recommendation of Mayor Lee, the City Council is expected to approve adjustments in water, gas and sewer rates which will likely be seen in the FY 23-24 budget revenue numbers in the utility funds of the City of Port Allen. These adjustments are not reflected in the expected revenue numbers for FY 22-23. The Sewer Fund has a steady projection of revenues, but expenses for capital and infrastructure continue to deplete the Sewer Fund's operating resources. However, the city has received approximately \$1,754,000 in ARPA funding that will be used in 2023 and 2024 to improve the City's utility systems. Because of these extraordinary expenses at the Wastewater Treatment Plant and the age of the system, the administration is in the process of attempting to locate property and funding for building a new plant to serve the citizens of the City of Port Allen.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Port Allen's finances for all those with an interest in the City of Port Allen's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer of the City of Port Allen, 375 Court Street, Port Allen, LA, 70767, or by calling (225) 346-5670.

CITY OF PORT ALLEN, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2023

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Government activities	Business-type activities	Total	
ASSETS:				
Cash and cash equivalents	\$ 8,397,498	\$ 1,935,401	\$ 10,332,899	\$ 413,757
Investments	1,508,913	20,000	1,528,913	45,210
Receivables, net	158,460	300,155	458,615	-
Internal balances	165,422	(165,422)	-	12,666
Due from other governments	343,015	-	343,015	2,045
Prepaid items and other assets	209,757	85,132	294,889	2,515
Restricted assets:				
Cash and cash equivalents	445,354	1,970,138	2,415,492	-
Capital assets:				
Land	686,051	22,237	708,288	-
Other capital assets, net of depreciation	3,278,809	7,810,006	11,088,815	9,060
Total assets	15,193,279	11,977,647	27,170,926	485,253
DEFERRED OUTFLOWS OF RESOURCES	<u>1,807,870</u>	<u>565,720</u>	<u>2,373,590</u>	<u>29,607</u>
Total assets and deferred outflows of resources	<u>17,001,149</u>	<u>12,543,367</u>	<u>29,544,516</u>	<u>514,860</u>
LIABILITIES:				
Current Liabilities:				
Accounts payable	519,517	66,059	585,576	-
Deposits and deferred charges	-	215,345	215,345	-
Accrued interest payable	10,875	1,910	12,785	7,555
Accrued wages and other	96,527	-	96,527	200
Bonds payable, due within one year	200,000	97,000	297,000	-
Noncurrent Liabilities:				
Compensated absences	245,081	127,548	372,629	-
OPEB obligations	616,568	210,393	826,961	-
Bonds payable, due in more than one year	1,250,000	707,000	1,957,000	-
Net pension liability	4,864,692	1,637,989	6,502,681	118,990
Unearned revenues	-	1,525,902	1,525,902	-
Total liabilities	7,803,260	4,589,146	12,392,406	126,745
DEFERRED INFLOWS OF RESOURCES	<u>824,509</u>	<u>2,703,614</u>	<u>3,528,123</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>8,627,769</u>	<u>7,292,760</u>	<u>15,920,529</u>	<u>126,745</u>
NET POSITION:				
Invested in capital assets, net of related debt	2,514,860	4,753,974	7,268,834	9,060
Restricted for:				
Prepaid expenses	209,757	-	209,757	-
Public safety	3,000	-	3,000	-
Welfare	103,132	-	103,132	-
Debt service	324,209	-	324,209	-
Ordinance No. 1 of 2006	2,500,000	900,000	3,400,000	-
Unrestricted	2,718,422	(403,367)	2,315,055	379,055
Total net position	<u>\$ 8,373,380</u>	<u>\$ 5,250,607</u>	<u>\$ 13,623,987</u>	<u>\$ 388,115</u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

CITY OF PORT ALLEN, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/programs	Program Revenues			Net (Expenses) Revenue and Change In Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government		
					Business-type Activities	Total	
PRIMARY GOVERNMENT							
Governmental activities:							
General government	\$ 1,437,675	\$ -	\$ -	\$ (1,437,675)	\$ -	\$ (1,437,675)	\$ -
Public safety	2,178,182	9,459	-	(2,168,723)	-	(2,168,723)	-
Roads and drainage	1,688,362	-	30,947	(1,657,415)	-	(1,657,415)	-
Depot welcoming center	9,868	-	-	(9,868)	-	(9,868)	-
Sanitation	635,261	621,726	-	(13,535)	-	(13,535)	-
Animal control	70,869	-	-	(70,869)	-	(70,869)	-
Welfare	700,882	-	731,166	30,284	-	30,284	-
Community development	158,639	-	-	(158,639)	-	(158,639)	-
Fleet maintenance	231,168	-	-	(231,168)	-	(231,168)	-
Debt service	21,750	-	-	(21,750)	-	(21,750)	-
Total governmental activities	<u>7,132,656</u>	<u>631,185</u>	<u>762,113</u>	<u>(5,739,358)</u>	<u>-</u>	<u>(5,739,358)</u>	<u>-</u>
Business-type activities							
Water and Gas	2,776,299	2,675,678	-	-	(100,621)	(100,621)	-
Sewer	981,880	1,031,576	229,737	-	279,433	279,433	-
Total business-type activities	<u>3,758,179</u>	<u>3,707,254</u>	<u>229,737</u>	<u>-</u>	<u>178,812</u>	<u>178,812</u>	<u>-</u>
Total primary government	<u>\$ 10,890,835</u>	<u>\$ 4,338,439</u>	<u>\$ 991,850</u>	<u>(5,739,358)</u>	<u>178,812</u>	<u>(5,560,546)</u>	<u>-</u>
COMPONENT UNITS							
City Court	<u>\$ 399,602</u>	<u>\$ 390,821</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,781)</u>
General revenues:							
Property taxes				571,728	-	571,728	-
Franchise taxes				384,819	-	384,819	-
Business licenses				364,908	-	364,908	-
Intergovernmental revenue							
Sales and use taxes				4,195,507	-	4,195,507	-
Other taxes				19,919	-	19,919	-
Other income				131,309	-	131,309	-
Non-employer contributions to pension plan				98,482	24,837	123,319	-
Investment earnings				296,338	76,690	373,028	5,208
Miscellaneous				53,067	34,567	87,634	-
Transfers				-	-	-	874
Total general revenues and transfers				<u>6,116,077</u>	<u>136,094</u>	<u>6,252,171</u>	<u>(2,699)</u>
Change in net position				376,719	314,906	691,625	(2,699)
Net position - beginning of the year				7,996,661	4,935,701	12,932,362	390,814
Net position - end of the year				<u>\$ 8,373,380</u>	<u>\$ 5,250,607</u>	<u>\$ 13,623,987</u>	<u>\$ 388,115</u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

CITY OF PORT ALLEN, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

ASSETS

	<u>General</u>	<u>Low Income Housing</u>	<u>Municipal Complex Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>CURRENT ASSETS:</u>				
Cash and cash equivalents	\$ 8,294,366	\$ 103,132	\$ -	\$ 8,397,498
Investments	1,508,913	-	-	1,508,913
Receivables, net	158,460	-	-	158,460
Due from other funds	167,716	-	-	167,716
Due from other governments	343,015	-	-	343,015
Prepaid items and other assets	209,757	-	-	209,757
Restricted cash and cash equivalents	110,270	-	335,084	445,354
Total assets	<u>\$ 10,792,497</u>	<u>\$ 103,132</u>	<u>\$ 335,084</u>	<u>\$ 11,230,713</u>

LIABILITIES AND FUND BALANCES

<u>LIABILITIES:</u>				
Accounts payable	\$ 519,517	\$ -	\$ -	\$ 519,517
Other current liabilities	96,527	-	-	96,527
Due to other funds	2,294	-	-	2,294
Accrued interest payable	-	-	10,875	10,875
Total liabilities	<u>618,338</u>	<u>-</u>	<u>10,875</u>	<u>629,213</u>
<u>FUND BALANCES:</u>				
Nonspendable:				
Prepaid items	209,757	-	-	209,757
Restricted:				
Public safety	3,000	-	-	3,000
Welfare	-	103,132	-	103,132
Debt service	-	-	324,209	324,209
Committed:				
Ordinance No. 1 of 2006	2,500,000	-	-	2,500,000
Assigned				
Purchase commitments	82,745	-	-	82,745
Unassigned	<u>7,378,657</u>	<u>-</u>	<u>-</u>	<u>7,378,657</u>
Total fund balances	<u>10,174,159</u>	<u>103,132</u>	<u>324,209</u>	<u>10,601,500</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 10,792,497</u>	<u>\$ 103,132</u>	<u>\$ 335,084</u>	<u>\$ 11,230,713</u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

CITY OF PORT ALLEN, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Amounts reported for governmental activities in the statement of net assets are different because:

Fund balances - total governmental funds	\$	10,601,500	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds			
Governmental capital assets	\$	7,967,913	
Less accumulated depreciation		<u>(4,003,053)</u>	
			3,964,860
Deferred outflows and inflows of resources not recognized in the fund balance of Governmental Fund Statement.			
Pension related changes reported as deferred outflows		1,575,674	
Pension related changes reported as deferred inflows		(407,839)	
OPEB related changes reported as deferred outflows		232,196	
OPEB related changes reported as deferred inflows		<u>(416,670)</u>	
			983,361
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds			
Bonds payable		(1,450,000)	
OPEB obligations		(616,568)	
Compensated absences		(245,081)	
Net pension liability		<u>(4,864,692)</u>	
			<u>(7,176,341)</u>
Net position of governmental activities	\$		<u><u>8,373,380</u></u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

CITY OF PORT ALLEN, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General	Low Income Housing	Municipal Complex Debt Service Fund	Total Governmental Funds
REVENUES:				
Taxes	\$ 956,547	\$ -	\$ -	\$ 956,547
Licenses and permits	364,908	-	-	364,908
Intergovernmental	4,347,085	731,166	-	5,078,251
Charges for services	631,185	-	-	631,185
Fines and forfeitures	30,597	-	-	30,597
Investment earnings	285,814	3,517	7,007	296,338
Miscellaneous	53,067	-	-	53,067
Total revenues	<u>6,669,203</u>	<u>734,683</u>	<u>7,007</u>	<u>7,410,893</u>
EXPENDITURES:				
Current:				
General government	914,914	-	-	914,914
Public safety	1,944,593	-	-	1,944,593
Roads and drainage	1,425,497	-	-	1,425,497
Depot welcome center	9,868	-	-	9,868
Sanitation	635,261	-	-	635,261
Health	70,869	-	-	70,869
Welfare	-	700,882	-	700,882
Community development	154,528	-	-	154,528
Fleet maintenance	158,171	-	-	158,171
Capital outlay:				
General government	32,762	-	-	32,762
Public safety	116,626	-	-	116,626
Roads and drainage	169,314	-	-	169,314
Fleet maintenance	637	-	-	637
Debt service:				
Principal	-	-	195,000	195,000
Interest and other charges	-	-	21,750	21,750
Total expenditures	<u>5,633,040</u>	<u>700,882</u>	<u>216,750</u>	<u>6,550,672</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,036,163</u>	<u>33,801</u>	<u>(209,743)</u>	<u>860,221</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in (out)	<u>(217,259)</u>	<u>(4,491)</u>	<u>221,750</u>	<u>-</u>
Total other financing sources (uses)	<u>(217,259)</u>	<u>(4,491)</u>	<u>221,750</u>	<u>-</u>
Net change in fund balances	818,904	29,310	12,007	860,221
Fund balances - beginning of year	<u>9,355,255</u>	<u>73,822</u>	<u>312,202</u>	<u>9,741,279</u>
Fund balances - end of year	<u>\$ 10,174,159</u>	<u>\$ 103,132</u>	<u>\$ 324,209</u>	<u>\$ 10,601,500</u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

CITY OF PORT ALLEN, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES
EXPENDITURES, CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Amounts reported for governmental activities in the statement of activities
are different because:

Net change in fund balances - total governmental funds	\$	860,221
--	----	---------

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

Capital outlay	\$	273,376	
Depreciation expense		<u>(257,220)</u>	
			16,156

The issuance of long term debt provides current financial resources to
governmental funds, while the repayment of the principal of long term debt
consumes the current financial resources of governmental funds. Neither
transaction, however, has any effect on net assets.

Principal payments		<u>195,000</u>	
			195,000

Some expenses reported in the statement of activities do not require the
use of current financial resources and, therefore, are not reported as
expenditures in governmental funds.

OPEB expenses		59,969	
Compensated absences		23,751	
Pension expense		<u>(778,378)</u>	
			<u>(694,658)</u>
Change in net position of governmental activities	\$		<u><u>376,719</u></u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

CITY OF PORT ALLEN, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities Enterprise Funds		
	Water & Gas	Sewer	Total
ASSETS:			
Current Assets			
Cash and cash equivalents	\$ 1,687,445	\$ 247,956	\$ 1,935,401
Investments	-	20,000	20,000
Accounts receivable, net	72,937	227,218	300,155
Due from other funds	173,334	-	173,334
Prepaid expenses and other current assets	75,881	9,251	85,132
Total current assets	<u>2,009,597</u>	<u>504,425</u>	<u>2,514,022</u>
Non-current Assets			
Restricted:			
Cash and cash equivalents	<u>215,345</u>	<u>1,754,793</u>	<u>1,970,138</u>
Total restricted assets	<u>215,345</u>	<u>1,754,793</u>	<u>1,970,138</u>
Capital assets:			
Land and land improvements	14,857	7,380	22,237
Buildings and structures	294,449	-	294,449
Furniture and fixtures	92,821	-	92,821
Equipment and vehicles	292,059	157,110	449,169
Wastewater treatment plant	-	2,482,647	2,482,647
Water system	2,790,128	-	2,790,128
Gas system	4,117,751	-	4,117,751
Sewer system	-	3,613,651	3,613,651
Construction in progress	-	190,130	190,130
Less accumulated depreciation	<u>(3,625,055)</u>	<u>(2,595,685)</u>	<u>(6,220,740)</u>
Total capital assets (net of accumulated depreciation)	<u>3,977,010</u>	<u>3,855,233</u>	<u>7,832,243</u>
Total non-current assets	<u>4,192,355</u>	<u>5,610,026</u>	<u>9,802,381</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>370,251</u>	<u>195,469</u>	<u>565,720</u>
Total assets and deferred outflows of resources	<u>6,572,203</u>	<u>6,309,920</u>	<u>12,882,123</u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

CITY OF PORT ALLEN, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS, CONTINUED
JUNE 30, 2023

	Business-type Activities Enterprise Funds		
	Water &		
	Gas	Sewer	Total
<u>LIABILITIES:</u>			
Current Liabilities (payable from current assets):			
Accounts payable	40,800	25,259	66,059
Due to other funds	142,594	196,162	338,756
Customer deposits	215,345	-	215,345
Total current liabilities (payable from current assets)	<u>398,739</u>	<u>221,421</u>	<u>620,160</u>
Current Liabilities (payable from restricted assets):			
Accrued interest payable on revenue bonds	-	1,910	1,910
Current portion of long-term debt	-	97,000	97,000
Total current liabilities (payable from restricted assets)	<u>-</u>	<u>98,910</u>	<u>98,910</u>
Noncurrent Liabilities:			
Compensated absences	93,615	33,933	127,548
OPEB obligations	141,452	68,941	210,393
Bonds and notes payable	-	707,000	707,000
Net pension liability	1,144,730	493,259	1,637,989
Unearned revenues	-	1,525,902	1,525,902
Total non-current liabilities	<u>1,379,797</u>	<u>2,829,035</u>	<u>4,208,832</u>
Total liabilities	<u>1,778,536</u>	<u>3,149,366</u>	<u>4,927,902</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	<u>2,578,224</u>	<u>125,390</u>	<u>2,703,614</u>
Total liabilities and deferred inflow of resources	<u>4,356,760</u>	<u>3,274,756</u>	<u>7,631,516</u>
<u>NET POSITION:</u>			
Invested in capital assets, net of related debt	1,702,741	3,051,233	4,753,974
Restricted for:			
Ordinance No. 1 of 2006	900,000	-	900,000
Unrestricted (deficit)	(387,298)	(16,069)	(403,367)
Total net position	<u>\$ 2,215,443</u>	<u>\$ 3,035,164</u>	<u>\$ 5,250,607</u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

CITY OF PORT ALLEN, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities Enterprise Funds		
	Water & Gas	Sewer	Total
<u>OPERATING REVENUES:</u>			
Charges for services:			
Gas sales	\$ 2,148,336	\$ -	\$ 2,148,336
Water sales	490,427	-	490,427
Sewer service charges	-	1,031,576	1,031,576
Connection fees	36,915	-	36,915
Miscellaneous	<u>34,567</u>	-	<u>34,567</u>
Total operating revenues	<u>2,710,245</u>	<u>1,031,576</u>	<u>3,741,821</u>
<u>OPERATING EXPENSES:</u>			
Personal services	947,048	504,902	1,451,950
Contractual services and other	387,545	196,053	583,598
Supplies	34,975	30,340	65,315
Materials	1,143,673	23,409	1,167,082
Heat, light and power	79,231	76,605	155,836
Depreciation	<u>183,827</u>	<u>142,705</u>	<u>326,532</u>
Total operating expenses	<u>2,776,299</u>	<u>974,014</u>	<u>3,750,313</u>
Operating income (loss)	<u>(66,054)</u>	<u>57,562</u>	<u>(8,492)</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Federal grants	-	229,737	229,737
Non-employer contributions to pension plan	16,854	7,983	24,837
Interest expense	-	(7,866)	(7,866)
Investment earnings	<u>24,797</u>	<u>51,893</u>	<u>76,690</u>
Total nonoperating revenues (expenses)	<u>41,651</u>	<u>281,747</u>	<u>323,398</u>
Income (loss) before transfers	(24,403)	339,309	314,906
Transfer in	79,918	-	79,918
Transfer (out)	<u>-</u>	<u>(79,918)</u>	<u>(79,918)</u>
Changes in net position	<u>55,515</u>	<u>259,391</u>	<u>314,906</u>
Net position - beginning of the year	<u>2,159,928</u>	<u>2,775,773</u>	<u>4,935,701</u>
Net position - end of the year	<u>\$ 2,215,443</u>	<u>\$ 3,035,164</u>	<u>\$ 5,250,607</u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

CITY OF PORT ALLEN, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities Enterprise Funds		
	Water & Gas	Sewer	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Receipts from customers	\$ 2,733,463	\$ 1,023,316	\$ 3,756,779
Payments to suppliers	(1,808,338)	(405,419)	(2,213,757)
Payments to employees for services and benefits	(747,287)	(354,554)	(1,101,841)
Other operating cash receipts	34,567	-	34,567
Net cash provided (used) by operating activities	<u>212,405</u>	<u>263,343</u>	<u>475,748</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>			
Non-employer pension contributions	16,854	7,983	24,837
Transfers to other funds	-	(79,918)	(79,918)
Transfers from other funds	<u>79,918</u>	<u>-</u>	<u>79,918</u>
Net cash provided (used) by non-capital financing activities	<u>96,772</u>	<u>(71,935)</u>	<u>24,837</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>			
Purchase of capital assets	(114,043)	(434,453)	(548,496)
Capital grant received	-	878,534	878,534
Principal paid on revenue bonds	-	(96,000)	(96,000)
Interest paid	<u>-</u>	<u>(8,094)</u>	<u>(8,094)</u>
Net cash provided (used) by capital and related financing activities	<u>(114,043)</u>	<u>339,987</u>	<u>225,944</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Interest received	<u>24,797</u>	<u>51,893</u>	<u>76,690</u>
Net cash provided by investing activities	<u>24,797</u>	<u>51,893</u>	<u>76,690</u>
Net decrease in cash and cash equivalents	219,931	583,288	803,219
Cash and cash equivalents, beginning of year	<u>1,682,859</u>	<u>1,419,461</u>	<u>3,102,320</u>
Cash and cash equivalents, end of year	<u>\$ 1,902,790</u>	<u>\$ 2,002,749</u>	<u>\$ 3,905,539</u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

CITY OF PORT ALLEN, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities Enterprise Funds		
	Water & Gas	Sewer	Total
<u>Reconciliation of operating income (loss) to net cash provided by operating activities:</u>			
Operating income	\$ (66,054)	\$ 57,562	\$ (8,492)
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	183,827	142,705	326,532
Non-employer contributions to pension plan	-	-	-
OPEB obligations	103,813	150,487	254,300
(Increase) decrease in assets			
Accounts receivable	159,555	(12,343)	147,212
Due from other funds	-	-	-
Prepaid expenses	(17,010)	3,402	(13,608)
Increase (decrease) in liabilities			
Accounts payable and accrued expenses	(145,904)	(78,331)	(224,235)
Deposits	8,290	-	8,290
Compensated absences	(14,112)	(139)	(14,251)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 212,405</u>	<u>\$ 263,343</u>	<u>\$ 475,748</u>
<u>Reconciliation of cash and cash equivalents to statement of net position:</u>			
Cash and cash equivalents, unrestricted	\$ 1,687,445	\$ 247,956	\$ 1,935,401
Cash and cash equivalents, restricted	<u>215,345</u>	<u>1,754,793</u>	<u>1,970,138</u>
Cash and cash equivalents, end of year	<u>\$ 1,902,790</u>	<u>\$ 2,002,749</u>	<u>\$ 3,905,539</u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

CITY OF PORT ALLEN, LOUISIANA
STATEMENT OF NET POSITION
COMPONENT UNIT
DECEMBER 31, 2022

	<u>City Court</u>
<u>ASSETS:</u>	
Current Assets	
Cash	\$ 413,757
Investments	45,210
Prepaid expenses	2,515
Due from other funds	12,666
Due from other governments	<u>2,045</u>
Total current assets	<u>476,193</u>
Non-Current Assets	
Capital assets, net of depreciation	<u>9,060</u>
Total assets	<u>485,253</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	<u>29,607</u>
Total assets and deferred outflows of resources	<u>514,860</u>
<u>LIABILITIES:</u>	
Current Liabilities	
Accrued expenses	7,555
Deferred revenues	<u>200</u>
Total current liabilities	<u>7,755</u>
Non-Current Liabilities	
Net pension liability	<u>118,990</u>
Total liabilities	<u>126,745</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	<u>-</u>
Total liabilities and deferred inflows of resources	126,745
<u>NET POSITION:</u>	
Invested in capital assets, net of related debt	9,060
Unassigned	<u>379,055</u>
Total net position	<u>\$ 388,115</u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

CITY OF PORT ALLEN, LOUISIANA
STATEMENT OF ACTIVITIES
COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	City Court
City Court			
Judiciary	\$ 399,602	\$ 390,821	\$ (8,781)
General Revenues			
Investment earnings			5,208
Transfers to (from) other funds			874
Total general revenues and transfers			6,082
Change in net position			(2,699)
Net position - beginning			390,814
Net position - ending			\$ 388,115

See accompanying NOTES TO THE FINANCIAL STATEMENTS

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The government is a municipal corporation governed by an elected Mayor and five member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Units

The City Court of Port Allen serves the citizens of the City. The voters elect the judge. The City is required to provide facilities and funding for the operation of the Court.

Complete financial statements for the City Court may be obtained at the Court's administrative office: City Court of Port Allen, 330 South Alexander, Port Allen, Louisiana.

Related Organizations

The following organizations were considered for inclusion in the reporting entity but did not meet all of the requirements. Therefore, these entities were considered to be related organizations not reported in the accompanying basic financial statements.

Port Allen Auxiliary Police Department.

This potential component unit provides volunteer police services within the city limits. Although the City does provide facilities and/or some financing, it does not exercise direct control over their operations.

Port Allen City Constable.

This potential component unit is an independently elected official and provides services to residents, generally within the geographic boundaries of the City. However, the City does not have the ability to exercise influence over its daily operations.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements.

The government-wide financial statements include the statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation.

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

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 government considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

However, expenditures related to compensated absences and claims and judgments are only recorded when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund.

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Fund:

Low Income Housing Fund - The Low Income Housing Fund is used to account for the expenditure and subsequent reimbursement of funds received from the U.S. Department of Housing and Urban Development for rental assistance to low income citizens who qualify.

Debt Service Fund:

Municipal Complex Debt Service Fund - The Municipal Complex Debt Service Fund accumulates revenues and the payment of principal and interest on the Louisiana Local Governmental Facilities and Community Development Authority bonds for the construction of the Municipal Complex Building.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The government reports the following major proprietary funds:

Enterprise Funds:

Water and Gas Fund - The Water and Gas Fund is to account for the provision of water and gas services to the 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.

Sewer Fund - The Sewer Fund is to account for the provision of sewer services to the 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 billing.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Gas fund and the Sewer fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, as well as certificates of deposit and short-term investments, with a maturity date within three months of the date acquired by the City.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

Under state law, the City may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. State statutes authorize the City to invest in United States bonds, treasure notes or certificates. These are classified as investments if

the original maturities exceed 90 days. Investments are stated at fair value using published market rates.

Cash and cash equivalents are stated at cost, which approximates market value. 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. These pledged 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.

Investments

State Law R.S. 33:2955 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 accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions, and certain mutual or trust fund institutions.

Investments are stated at fair value in accordance with the Governmental Accounting Standards Board Statement (GASB) No. 31 “*Accounting and Financial Reporting for Certain Investments and for External Investment Pools.*”

Inventories

Purchases of operating supplies are recorded as expenditures when purchased; inventories of such supplies are not recorded and are not considered by management to be material.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30 are recorded as prepaid items in both government-wide and fund financial statements.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are reported net of an allowance for uncollectibles in business-type activities. Uncollectible amounts for customers' utility fees receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectability of the particular receivable. The allowance was \$207,123 at June 30, 2023.

Restricted Assets

Restricted assets include certain cash and investments of the Water & Gas Fund, Sewer Fund and Municipal Complex Debt Service Fund, which are legally restricted as to their use. The restricted cash and investments in the governmental funds and in the Sewer Fund are held separately and restricted according to the applicable bond indenture agreements. The restricted cash in the Water & Gas Fund is held in trust for customer utility meter deposits.

Compensated Absences

Full-time, permanent employees of the City earn vacation leave and sick leave at various rates depending on the number of years of service. The City's policy allows employees to accumulate unused sick leave on an unlimited basis and unused vacation leave up to 60 days. An employee is compensated for up to 60 days of unused vacation leave at the employee's hourly rate of pay at the time of termination. Upon an employee's retirement, sick leave, not to exceed 60 days, and vacation leave not to exceed 60 days shall be paid as severance pay. The liability for these compensated absences is recorded as long-term debt in the government-wide and proprietary financial statements. However, any matured compensated absences existing at year-end which are payable to currently terminating employees are reported in the governmental funds as wages and benefits payable and on the government-wide and proprietary financial statements as the current portion of compensated absences.

Capital Assets

Capital Assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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 financial statements.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Assets capitalized have an original cost in excess of \$2,000 and a useful life of over one year. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

<u>Description</u>	<u>Life in Years</u>
Buildings	30-50
Water and Sewer Systems	40-50
Infrastructure	20-35
Machinery and Equipment	5-10
Improvements	20

Pensions

The City is a participating employer in three defined benefit pension plans as described in Note 10. 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 position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. 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 within each plan.

Other Post-Employment Benefits (OPEB)

The City provides certain health care and life insurance benefits for retired employees. The primary government recognizes the costs associated with providing these benefits as claims are paid. In the government-wide financial statements and proprietary fund types in the fund financial statements, other post-employment benefits are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long Term Debt

Long Term Debt obligations to be repaid from governmental and business type resources are reported as liabilities in the government-wide statements.

Long Term Debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources, and the payment of principle and interest are reported as expenditures, in the fund statements.

The reporting of Long Term Debt in the proprietary statements is the same in the fund statements as it is in the government-wide statements.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and thus, will not be recognized as an outflow of resources (expenses/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The City has two types of deferred inflows of resources: 1.) amounts which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in Water & Gas proprietary fund balance sheet. The Water & Gas fund reports unavailable revenues related to a public-private partnership where it received capital assets for discounted utility fees and 2.) amounts related to pensions and OPEB on the government wide financial statement. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Equity Classifications

Government-Wide Financial Statements

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt – 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.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (Continued)

- b. Restricted net position – 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 provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

Fund Financial Statements

The equity of the fund financial statements is defined as fund balance and is classified in the following categories:

- a) Non-spendable – amount that cannot be spent either because they are in non-spendable 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.
- c) Committed – amounts that can be used only for specific purposes determined by a formal decision of the City Council. The City Council is the highest level of decision-making authority for the City of Port Allen.
- 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.
- e) Unassigned – all other spendable amounts.

The City Council is the highest level of decision-making authority for the City. The Council would have to approve a resolution to approve or change any previously approved commitment of fund balance. The City council is also authorized to approve assigned fund balances. It is the City’s policy to spend unrestricted fund balances first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. It is the City’s policy to spend committed or assigned fund balances first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The City does not have any policy regarding minimum fund balance amounts.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (Continued)

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

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Interfund Transactions

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

The permanent reallocation of resources between funds of the City are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated. Interfund services provided and used are not eliminated in the process of consolidation.

Elimination and Reclassification

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

Revenues and Expenditure Recognition

Ad Valorem Taxes

Ad Valorem taxes are recognized in the fiscal year in which the taxes are levied. Taxes are due and become an enforceable lien on property on the first day of the month following the filing of the tax rolls by the assessor with the Louisiana Tax Commission (usually December 1). City taxes are billed and collected by the City.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and Expenditure Recognition (Continued)

Taxes become delinquent on January 1st in the year after levy. Taxes are levied on property values determined by the West Baton Rouge Parish Assessor’s Office. All land and residential improvements are assessed at 10 percent of its fair market value and other property at 15 percent of its fair market value. Ad Valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation for the following purposes:

General Fund	2023 Millage
General Maintenance	7.18
Police Department	5.02

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those

Subsequent Events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through February 26, 2024, the date the financial statements were available to be issued.

(2) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue, capital improvement and debt service funds, and all annual appropriations lapse at fiscal year-end.

Policies and procedures with respect to the budget adoption and budgetary control are as follows:

On or before May 15 of each year, all agencies of the City submit requests for appropriation to the City’s finance director so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(2) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Before June 16, the proposed budget is presented to the City’s Council for review. The City’s Council holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City’s finance director or the revenue estimates must be changed by an affirmative vote of a majority of the City’s Council.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary integration of the General Fund.

All appropriations which are not expended or encumbered lapse at year-end. Encumbrances outstanding at year end include \$82,745 for capital outlays.

(3) DEPOSITS AND INVESTMENTS

The table below reconciles deposits and investments by the nature of the deposit to the applicable financial statement classification as of June 30, 2023.

Financial statement Classification	Demand	Certificates of	Money Market		Total
	Deposits	Deposit	Accounts	LAMP	
Cash and cash equivalents	\$ 2,994,204	\$ -	\$ 6,225,032	\$ 1,113,663	\$ 10,332,899
Investments	-	1,528,913	-	-	1,528,913
Restricted Cash and cash equivalents	2,080,408	-	335,084	-	2,415,492
Balance per City books	<u>\$ 5,074,612</u>	<u>\$ 1,528,913</u>	<u>\$ 6,560,116</u>	<u>\$ 1,113,663</u>	<u>\$ 14,277,304</u>
Institutional balances	<u>\$ 5,290,083</u>	<u>\$ 1,528,913</u>	<u>\$ 6,560,116</u>	<u>\$ 1,113,663</u>	<u>\$ 14,492,775</u>

Deposits

The total balances will not necessarily equal the balances per the statement of net position. Deposits in bank accounts are stated at cost, which approximates market value. Under state law, these deposits are 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 at all times equaled the amount on deposit with the fiscal agent. Because the securities are held by the pledging fiscal agent in the City’s name, the City does not have any custodial credit risk. Balances in the money market accounts are secured by the underlying assets. In addition, the Louisiana Asset Management Pool (LAMP) investments of \$1,113,663 are included in the amounts of cash and cash equivalents because they are readily available.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(3) DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are uninsured, are not registered in the City, and are held by either the counterparty to the investment purchase or the counterparty's trust department or agent but not held in the City's name. The deposits of the City at June 30, 2023 were not subject to custodial credit risk.

LAMP

At June 30, 2023, the City had an investment of \$1,113,663 with the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(3) DEPOSITS AND INVESTMENTS (CONTINUED)

- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP’s total investments is 56 days as of June 30, 2023.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Investments

As of June 30, 2023, the change in the City’s investments is reported as follows:

	Change in Investments	
	Amortized Cost	Fair Value
Balance, June 30, 2022	\$ 520,000	\$ 520,000
Plus:		
Purchases	1,308,913	1,308,913
Less:		
Maturities	(300,000)	(300,000)
Balance, June 30, 2023	\$ 1,528,913	\$ 1,528,913

As of June 30, 2023, the City of Port Allen had the following investments and maturities:

	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
Certificates of deposit	\$ 1,528,913	\$ 1,124,791	\$ 404,122	\$ -	\$ -

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(4) RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include ad valorem, sales taxes, franchise taxes, and grants. Business-type activities report utilities earnings as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as ad valorem, sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Balances receivable have been aggregated for presentation in the accompanying financial statements. Therefore, the following schedules provide additional detailed information concerning balances receivable by category and fund type. Receivable balances at June 30, 2023, are as follows:

	Governmental Funds	General Fund
Franchise tax	\$ 79,467	
Property tax	16,134	
Property taxes refund payable for overpayment	(46,924)	
Accounts receivable	107,801	
Interest receivable	-	
Other	101,406	
Total Receivables	257,884	
Allowance for Uncollectibles	(99,424)	
Receivables, Net	\$ 158,460	

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(4) RECEIVABLES (CONTINUED)

	Proprietary Funds		
	Water & Gas	Total	
	Fund	Sewer Fund	Proprietary Funds
Utility fees	\$ 280,060	\$ 227,218	\$ 507,278
Allowance for uncollectibles	(207,123)	-	(207,123)
Receivables, Net	\$ 72,937	\$ 227,218	\$ 300,155

Uncollectible amounts due for condemnation and code enforcement receivables and utility 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.

(5) PIPELINE PUBLIC-PRIVATE PARTNERSHIP

As of June 30, 2023, \$2,274,269 is included in deferred inflows of resources related to unavailable revenue for proprietary funds related to the City's acquisition of gas pipeline additions through a public-private partnership with 3 of its commercial customers. The private companies facilitated and paid for the construction of the line additions in return for reduced utility fees until such time that they had recouped their investment. The City will recognize revenue for all gas provided to these customers at normal commercial rates and relieve deferred inflows for the discounts provided the customers until all deferred inflows are realized.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(6) CAPITAL ASSETS

The following is a summary of changes in capital assets for governmental activities for the fiscal year ended June 30, 2023:

	Beginning Balance June 30, 2022	Increases	Decreases	Transfers	Ending Balance June 30, 2023
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 686,051	\$ -	\$ -	\$ -	\$ 686,051
Capital assets, being depreciated:					
Buildings and structures	5,042,710	5,875	-	-	5,048,585
Furniture and fixtures	407,398	-	-	-	407,398
Equipment and vehicles	1,532,279	267,501	-	-	1,799,780
Total capital assets, being depreciated	<u>6,982,387</u>	<u>273,376</u>	<u>-</u>	<u>-</u>	<u>7,255,763</u>
Less accumulated depreciation for:					
Buildings and structures	2,081,277	141,639	-	-	2,222,916
Furniture and fixtures	329,605	16,482	-	-	346,087
Equipment and vehicles	1,308,852	99,099	-	-	1,407,951
Total accumulated depreciation	<u>3,719,734</u>	<u>257,220</u>	<u>-</u>	<u>-</u>	<u>3,976,954</u>
Total capital assets, being depreciated, net	<u>3,262,653</u>	<u>16,156</u>	<u>-</u>	<u>-</u>	<u>3,278,809</u>
Governmental activities capital assets, net	<u>\$ 3,948,704</u>	<u>\$ 16,156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,964,860</u>

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(6) CAPITAL ASSETS (CONTINUED)

The following is a summary of changes in capital assets for business-type activities for the fiscal year June 30, 2023:

	Beginning Balance June 30, 2022	Increases	Decreases	Transfers	Ending Balance June 30, 2023
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 22,237	\$ -	\$ -	\$ -	\$ 22,237
Capital assets, being depreciated:					
Buildings	294,449	-	-	-	294,449
Furniture and fixtures	92,822	-	-	-	92,822
Equipment and vehicles	449,167	-	-	-	449,167
Wastewater treatment plant	2,482,647	-	-	-	2,482,647
Water system	2,744,476	43,198	-	2,454	2,790,128
Gas system	4,046,906	70,845	-	-	4,117,751
Sewer system	3,261,364	351,058	-	1,230	3,613,652
Construction in progress	110,419	83,395	-	(3,684)	190,130
Total capital assets, being depreciated	<u>13,482,250</u>	<u>548,496</u>	<u>-</u>	<u>-</u>	<u>14,030,746</u>
Less accumulated depreciation for:					
Buildings	204,218	8,694	-	-	212,912
Furniture and fixtures	55,426	9,556	-	-	64,982
Equipment and vehicles	434,183	8,398	-	-	442,581
Wastewater treatment plant	1,113,311	60,620	-	-	1,173,931
Water system	1,579,788	60,147	-	-	1,639,935
Gas system	1,316,763	103,087	-	-	1,419,850
Sewer system	1,190,519	76,030	-	-	1,266,549
Total accumulated depreciation	<u>5,894,208</u>	<u>326,532</u>	<u>-</u>	<u>-</u>	<u>6,220,740</u>
Total capital assets, being depreciated, net	<u>7,588,042</u>	<u>221,964</u>	<u>-</u>	<u>-</u>	<u>7,810,006</u>
Business-type activities capital assets, net	<u>\$ 7,610,279</u>	<u>\$ 221,964</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,832,243</u>

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(6) CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to government functions as follows:

General Government	\$	128,747
Public Safety - Police Department		64,564
Roads and Drainage		50,011
Fleet Maintenance		5,785
Depot Welcoming Center		<u>8,113</u>
Total	\$	<u><u>257,220</u></u>
Water and Gas	\$	183,827
Sewer		<u>142,705</u>
Total	\$	<u><u>326,532</u></u>

Capital outlays are reported as expenditures in the governmental funds; however, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. The adjustment from governmental funds to the government-wide statements is summarized as follows:

Primary Government		
Capital outlay	\$	273,376
Depreciation expense		<u>(257,220)</u>
Total adjustments	\$	<u><u>16,156</u></u>

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(7) LONG-TERM DEBT

The following is a summary of changes in long term debt for the year ended June 30, 2023:

Type of Debt	Balance at June 30, 2022	Additions or Bonds Issued	Bonds Redeemed and Other Reductions	Balance at June 30, 2023	Amount due within One Year
<i>Governmental Activities:</i>					
Revenue bond 2021	\$ 1,645,000	\$ -	\$ 195,000	\$ 1,450,000	\$ 200,000
Other post employment benefits	567,549	49,019	-	616,568	-
Compensated absences	268,832	-	23,751	245,081	-
Net pension liabilities	2,550,071	2,314,621	-	4,864,692	-
Total governmental long-term debt	\$ 5,031,452	\$ 2,363,640	\$ 218,751	\$ 7,176,341	\$ 200,000
<i>Business-Type Activities:</i>					
Revenue bond	\$ 900,000	\$ -	\$ 96,000	\$ 804,000	\$ 97,000
Other post employment benefits	237,551	-	27,158	210,393	-
Compensated absences	141,799	-	14,251	127,548	-
Net pension liabilities	1,122,080	515,909	-	1,637,989	-
Total business-type activities debt	\$ 2,401,430	\$ 515,909	\$ 137,409	\$ 2,779,930	\$ 97,000

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Governmental Activities:

As of June 30, 2023, the governmental long-term debt of the financial reporting entity consisted of the following:

Revenue Bonds

The City borrowed \$3,505,000 from Louisiana Local Environmental Facilities and Community Development Authority (the "Authority") on August 10, 2004 for the construction of a new city hall and related improvements. The loan was payable in annual installments of \$45,000 to \$245,000 plus interest at 4.0% to 5.2%. The bonds were refunded in November 2011 by the issuance of \$3,125,000 of new bonds. Payments were due in annual installments of \$135,000 to \$215,000 plus interest at 2.0% to 4.25%. The bonds were refunded in July 2021 by the issuance of \$1,645,000 of new bonds. Payments are due in annual installments of

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(7) LONG-TERM DEBT (CONTINUED)

\$195,000 to \$215,000 plus interest at 1.5%. The bonds are due annually from July 1, 2022 to July 1, 2029. The balance at June 30, 2023 is \$1,450,000 and debt service requirements to maturity are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>
2024	\$ 200,000	\$ 20,250
2025	200,000	17,250
2026	205,000	14,213
2027	205,000	11,138
2028	210,000	8,025
2029-2030	430,000	6,450
	<u>\$ 1,450,000</u>	<u>\$ 77,326</u>

There are a number of covenants and restrictions in the bond indenture noted above. The City is in compliance with all of the covenants related to the debt as of June 30, 2023.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(7) LONG-TERM DEBT (CONTINUED)

Business Activities:

As of June 30, 2023, the long term debt payable from proprietary fund resources consisted of the following:

Revenue Bonds

On October 1, 2010, the City issued Revenue Bonds through the Louisiana Department of Environmental Quality in an amount not to exceed \$1,900,000 for the purpose of paying the costs of in-kind replacement of most mechanical and electrical equipment at its wastewater treatment plant and rehabilitating approximately 1,170 linear feet of its sewer system. Construction was completed on July 17, 2012. The bonds will mature in 20 years and bear interest and administrative fees at a combined rate of .95%, payable on April 1 and October 1 of each year. The City used \$1,813,000 of the approved total. The balance at June 30, 2023, is \$804,000 and debt service requirements to maturity are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>
2024	\$ 97,000	\$ 7,177
2025	98,000	6,251
2026	99,000	5,315
2027	100,000	4,370
2028	101,000	3,415
2029-2031	<u>309,000</u>	<u>4,422</u>
	<u>\$ 804,000</u>	<u>\$ 30,950</u>

There are a number of covenants and restrictions contained in the bond indenture noted above. The City is in compliance with all of the covenants related to the DEQ debt at June 30, 2023.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(8) INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Amounts due from and to other funds as reported in the fund financial statements, at June 30, 2023, consist of the following:

<u>Governmental Funds</u>	Interfund Receivables	Interfund Payables	Net
General Fund	\$ 167,716	\$ 2,294	\$ 165,422
Lower Income Housing	-	-	-
	<u>167,716</u>	<u>2,294</u>	<u>165,422</u>
<u>Proprietary Funds</u>			
Water & Gas Fund	173,334	142,594	30,740
Sewer Fund	-	196,162	(196,162)
	<u>173,334</u>	<u>338,756</u>	<u>(165,422)</u>
	<u>\$ 341,050</u>	<u>\$ 341,050</u>	<u>\$ -</u>

The balances reflected in interfunds represent either routine charges for goods and services or permanent (non-loan) transfers from one fund to another. These balances are settled periodically. The amounts here represent activity since the last settlement.

For the year ended June 30, 2023, interfund transfers consisted of the following:

<u>Governmental Funds</u>	Transfers In	Transfers Out	Net
General Fund	\$ 4,491	\$ 221,750	\$ (217,259)
Lower Income Housing	-	4,491	(4,491)
Municipal Debt Service Fund	221,750	-	221,750
	<u>226,241</u>	<u>226,241</u>	<u>-</u>
<u>Proprietary Funds</u>			
Water & Gas Fund	79,918	-	79,918
Sewer Fund	-	79,918	(79,918)
	<u>79,918</u>	<u>79,918</u>	<u>-</u>
	<u>\$ 306,159</u>	<u>\$ 306,159</u>	<u>\$ -</u>

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(9) CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

At June 30, 2023, there were various lawsuits and claims pending against the City. The outcome is not presently determinable and in the opinion of City management, after consultation with legal counsel, the resolution of these matters will not have a material adverse effect on the financial position of the City.

(10) PENSION PLANS

The City provides pension benefits for all of its full-time employees through three separate cost sharing, multiple-employer public employee retirement systems. All full-time City employees, except police, are members in the Municipal Employees' Retirement System of the State of Louisiana (MERS). All full-time police are members of the Municipal Police Retirement System of Louisiana (MPERS). The City Court Judge is a member of the Louisiana State Employees' Retirement System (LASERS).

Plan Description

MERS

MERS 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, with exceptions outlined in the Louisiana Revised Statutes. The City participates in Plan A and provides retirement benefits to any member of Plan A who was hired before January 1, 2013 meeting one of the following criteria:

- Any age with 25 or more years of creditable service
- Age 60 with a minimum of 10 years creditable service
- Any age with 20 years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

For members hired after January 1, 2013, benefits are provided to any member of Plan A meeting one of the following criteria:

- Age 67 with 7 or more years of creditable service
- Age 62 with 10 or more years of creditable service
- Age 55 with 30 or more years of creditable service

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(10) PENSION PLANS (CONTINUED)

- Any age with 25 years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to 3% of the member's monthly average final compensation times years of creditable service. Final compensation is the average monthly earnings during the highest 60 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.

Upon the death of any member of Plan A with five or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Any member of Plan A 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.

In lieu of terminating employment and accepting a service retirement allowance, any member 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 such period, employer contributions are payable but employee contributions cease. 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 a member 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.

Under Plan A, members are required by state statute to contribute 10% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 29.50% of annual covered payroll. The contribution requirements of plan members and the City

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(10) PENSION PLANS (CONTINUED)

are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System under Plan A for the years ended June 30, 2023, 2022, and 2021 were \$437,687, \$466,706, and \$464,048, respectively, equal to the required contributions for each year.

Contributions to the System also include 1/4 of 1% of ad valorem taxes collected within the respective parishes except for Orleans. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The System also receives revenue sharing funds each year as appropriated by the Legislature.

MPERS

MPERS membership is mandatory for any full-time police officer employed by a municipality of the state and engaged in law enforcement, empowered to make arrests, provided that the officer is not required to pay Social Security, and otherwise meets statutory criteria. For members hired before January 1, 2013, the plan provides retirement benefits to any member who has:

- 25 years of creditable service, or
- 20 years of creditable service who has attained age 50, or
- 12 years of service who has attained age 55, or
- 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are 3 1/3 % 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 certain conditions outlined in the statutes, 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.

For members hired after January 1, 2013, benefits are based on the Hazardous Duty sub-plan or the Nonhazardous Duty sub-plan. Under the Hazardous Duty sub-plan, a member is eligible for benefits after:

- 25 years of creditable service at any age, or
- 12 years of creditable service at age 55.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(10) PENSION PLANS (CONTINUED)

Under the Nonhazardous Duty sub-plan, a member is eligible for benefits after:

- 30 years of creditable service at any age, or
- 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 20 years of creditable service at any age with an actuarially reduced benefit from age 55. Benefit rates are 3% and 2.5%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) times the number of years of creditable service, not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the 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 10% of average final compensation or \$200 per month whichever is greater. If deceased member had less than 10 years of service, beneficiary will receive are fund of employee contributions only.

In lieu of terminating employment and accepting a service retirement allowance, any member 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 such period, both employer and employee contributions cease. Monthly benefits that the member would have received during the DROP period are paid into the DROP fund. Interest is earned when the member has completed DROP participation, based on the actual rate of return less one-half percentage point on the investments identified as DROP funds for the period. No cost-of-living increases are payable to participants until employment has been terminated for at least one full year.

Contributions by employers are actuarially determined by law, but cannot be less than 9% of compensation excluding overtime, but including state supplemental pay. For the year ended June 30, 2022, employer contributions were 29.75% for employees hired prior to January 1, 2013 and for Hazardous Duty employees hired after January 1, 2013. For Nonhazardous duty employees hired after January 1, 2013, employer contributions were 29.75%.

The plan also receives insurance premium tax monies appropriated by the state legislature as additional employer contributions and considered support from a non-employer contributing entity, but not considered a special funding situation.

Plan members are required by state statute to contribute 10.0% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 31.25% of annual covered payroll. The contribution requirements of plan members and the City are

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(10) PENSION PLANS (CONTINUED)

established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System for the years ended June 30, 2023, 2022, and 2021 were \$280,698 , \$255,180, and \$266,041, respectively, equal to the required contributions for each year.

LASERS

Employees of the City are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006, and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015, may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(10) PENSION PLANS (CONTINUED)

Act 992 of the 2010 Louisiana Regular Legislative Session changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment, with a 3.33% accrual rate.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(10) PENSION PLANS (CONTINUED)

is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

All members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(10) PENSION PLANS (CONTINUED)

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member’s salary and remitted to LASERS by participating employers.

Plan members are required by state statute to contribute 11.5% of their annual covered salary and the City is required to contribute at an actuarially determined rate. For the year ended June 30, 2023 employer contributions were 44.80% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. The City's contributions to the System for the years ended June 30, 2023, 2022, and 2021 were \$12,639, \$12,405, and \$12,101, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net pension liability at June 30, 2023, is comprised of the City's proportional share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer (MERS, MPERS and LASERS). The net pension liability for each plan was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability for each of the cost-sharing plans in which it participates was based on the City's required contributions in proportion to total required contributions for all participating employers, actuarially determined. As of the most recent measurement date for each plan, the City's proportion for each cost-sharing plan and the change in proportion from the prior measurement date were as follows:

	MERS	MPERS	LASERS
Proportion (amount) of net pension liability	\$ 3,453,127	\$ 2,945,834	\$ 103,720
Proportion (%) of net pension liability	0.8314%	0.2882%	0.0014%
Increase/(Decrease) from prior measurement date	0.0322%	0.0318%	-0.0001%

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(10) PENSION PLANS (CONTINUED)

For the year ended June 30, 2023, the City recognized pension expense as follows:

	2023
MERS	\$ 1,608,643
MPERS	460,224
LASERS	45,572
	\$ 2,114,439

In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			
	MERS	MPERS	LASERS	Total
Differences between expected and actual experience	\$ 4,078	\$ 14,529	\$ 283	\$ 18,890
Changes of assumptions	33,453	101,615	1,886	136,954
Net difference between projected and actual earnings on pension plan investments	574,583	525,924	8,354	1,108,861
Changes in proportion and differences between City contributions and proportionate share of contributions	-	66,431	-	66,431
City contributions subsequent to the measurement date	437,688	280,698	12,639	731,025
Total	\$ 1,049,802	\$ 989,197	\$ 23,162	\$ 2,062,161

	Deferred Inflows of Resources			
	MERS	MPERS	LASERS	Total
Differences between expected and actual experience	\$ 13,222	\$ 24,010	\$ -	\$ 37,232
Changes of assumptions	-	21,911	-	21,911
Net difference between projected and actual earnings on pension plan investments	626,391	-	3,969	630,360
Changes in proportion and differences between City contributions and proportionate share of contributions	5,502	-	-	5,502
Total	\$ 645,115	\$ 45,921	\$ 3,969	\$ 695,005

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(10) PENSION PLANS (CONTINUED)

The deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date totaling \$731,025 will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and all amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year	MERS	MPERS	LASERS	Total
2024	\$ 114,133	\$ 69,583	\$ 5,182	\$ 188,898
2025	174,311	212,265	1,726	388,302
2026	54,984	155,309	(2,113)	208,180
2027	275,548	275,865	5,727	557,140
Total	\$ 618,976	\$ 713,022	\$ 10,522	\$ 1,342,520

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(10) PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	MERS	MPERS	LASERS
Inflation	2.50%	2.50%	2.30%
Salary Increases	vary from 6.4% for first 4 years to 4.5% after 4 years of service	vary from 12.3% for first 2 years of service to 4.7% after 3 years	projected based on a 2014-2018 experience study of system members (2.6%-5.1%)
Investment rate of return	6.850%, net of pension plan investment expense, including inflation	6.750 %, net of investment expense	7.25% per annum, net of investment expenses
Actuarial cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Expected remaining Service Lives	3 years	4 years	2 years
Mortality	<p>Annuitant 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.</p> <p>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.</p> <p>Disabled lives mortality - PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.</p>	<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 was used. For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used. For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p>	<p>Non-disabled members - The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018.</p> <p>Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(10) PENSION PLANS (CONTINUED)

<p>Cost of Living Adjustments</p>	<p>The System 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 allows the System to grant additional cost of living increases 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.</p>	<p>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.</p>	<p>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 projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.</p>
-----------------------------------	--	---	---

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

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(10) PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
<u><i>MERS</i></u>		
Public equity	53.00%	2.31%
Public fixed income	38.00%	1.65%
Alternatives	9.00%	0.39%
Totals	100.00%	4.35%
Inflation		2.60%
Expected Arithmetic Nominal Return		6.95%
<u><i>MPERS</i></u>		
Equity	55.50%	3.60%
Fixed Income	30.50%	0.85%
Alternatives	14.00%	0.95%
Totals	100.00%	5.40%
Inflation		2.66%
Expected Arithmetic Nominal Return		8.06%
<u><i>LASERS</i></u>		
Cash	0.00%	0.39%
Domestic equity	31.00%	4.57%
International equity	23.00%	5.76%
Domestic Fixed Income	3.00%	1.48%
International Fixed Income	17.00%	5.04%
Alternative Investments	26.00%	8.30%
Totals	100.00%	5.91%
Inflation		2.30%
Expected Geometric Nominal Return		8.34%

Discount Rate

MERS

The discount rate used to measure the total pension liability was 6.85% for the years ended June 30, 2022. 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

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(10) PENSION PLANS (CONTINUED)

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.

MPERS

The discount rate used to measure the total pension liability was 6.75%. 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.

LASERS

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions 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 pension plan's actuary. Based on those assumptions, the pension plan'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 of the City's Proportionate Shares of the Net Pension Liabilities to Changes in the Discount Rate:

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

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(10) PENSION PLANS (CONTINUED)

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
MERS (current rate 6.85%)	\$ 4,593,333	\$ 3,453,127	\$ 2,489,689
MPERS (current rate 6.75%)	4,123,603	2,945,834	1,962,006
LASERS (current rate 7.25%)	130,510	103,720	79,291
	<u>\$ 8,847,446</u>	<u>\$ 6,502,681</u>	<u>\$ 4,530,986</u>

Pension Plan Fiduciary Net Position:

Detailed information about the plans' fiduciary net position is available in the separately issued financial statements of the plans.

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 their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. The City recognized revenue as a result of support received from MERS of \$59,210 and MPERS of \$64,109.

(11) OTHER POST EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description – The City of Port Allen (the City) provides certain continuing health care and life insurance benefits for its retired employees. The City of Port Allen's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided – Benefits are provided through comprehensive plans and are made available to employees upon actual retirement. The employees are covered by one of three retirement systems: first, the Municipal Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service; second, the Firefighters' Retirement System of Louisiana, and, third, the Municipal Police Retirement System of Louisiana. Both the Fire and Police systems have retirement eligibility (D.R.O.P. entry) provisions as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service. For each system, employees hired on and after January 1, 2013 must meet the following retirement (D.R.O.P. entry) requirements: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. Notwithstanding this there is a minimum service requirement of 25 years for benefits.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(11) OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Employees covered by benefit terms – At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	40
Total	47

Total OPEB Liability

The City’s total OPEB liability of \$826,960 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0% including inflation
Prior discount rate	3.54%
Discount rate	3.65% annually which is the Bond Buyer 20-Bond General Obligation Index on the Measurement Date. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years.
Healthcare cost trend rates	5.5% annually until year 2032, then 4.5%
Mortality	SOA RP-2014 Combined Mortality Table

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2023, the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2023.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(11) OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Changes in Total OPEB Liability

Balance at June 30, 2022	\$ <u>805,101</u>
Changes for the year	
Service cost	13,583
Interest	28,741
Differences between expected and actual experience	(11,649)
Changes in assumptions	16,481
Benefit payments and net transfers	<u>(25,296)</u>
Net changes	<u>21,860</u>
Balance at June 30, 2023	\$ <u><u>826,961</u></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 is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	1.0% Decrease (2.65%)	Current Discount Rate (3.65%)	1.0% Increase (4.65%)
Total OPEB Liability	\$ 951,214	\$ 826,961	\$ 726,923

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 (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB Liability	\$ 726,310	\$ 826,961	\$ 951,302

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(11) OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB expense of (\$121,712). At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 91,455	\$ 399,880
Changes in assumptions	219,974	158,970
Total	<u>\$ 311,429</u>	<u>\$ 558,850</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2024	\$ (164,037)
2025	(164,037)
2026	16,640
2027	7,739
2028	7,739
Thereafter	48,535

(12) 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 purchases commercial insurance policies at levels which management believes is adequate to protect the City. The City did not have any claims in excess of the commercial insurance coverage for the year ended June 30, 2023.

(13) ON-BEHALF PAYMENTS

Included in intergovernmental revenue and salary expense are supplemental salary payments to police officers, which were paid directly to them from the State of Louisiana. The payments to police officers were \$99,362 for the year ended June 30, 2023.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(14) RESTRICTIONS OF FUND BALANCES AND NET POSITION

On January 11, 2006, the City Council passed Ordinance No. 1 of 2006, which restricted \$2,500,000 of the fund balance of the General Fund to assist the City in meeting extraordinary expenses and obligations in the event of a potential future decrease in sales tax revenue. The same ordinance also restricted \$900,000 of the net position of the Water and Gas Fund to assist the City in meeting extraordinary expenses and obligations due to unanticipated costs regarding the operation and maintenance of the City's water and gas system.

(15) MUNICIPAL SECURITIES DISCLOSURE

To comply with SEC rule 15c2-12 filings, the City files annual financial information and operating data on the Municipal Securities Rulemaking Board website. There have been no significant events that were required to be reported. Copies of the filings can be viewed at <http://emma.msrb.org/continuingdisclosureview>.

(16) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 91, "*Conduit Debt Obligations*." The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021, as extended by GASB Statement No. 95, "*Postponement of Effective Dates of Certain Authoritative Guidance*." The Statement did not have a material effect on the City's financial statements upon implementation.

The GASB has issued Statement No. 92, "*Omnibus 2020*." The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The Statement did not have a material effect on the City's financial statements upon implementation.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(16) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB has issued Statement No. 93, “*Replacement of Interbank Offered Rates.*” The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of LIBOR. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The Statement did not have a material effect on the City’s financial statements upon implementation.

The GASB has issued Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements.*” The objective of this Statement is to better meet the information needs of financial statement users by improving the comparability of financial statements among governments that enter into public-private and public-public partnerships (PPPs) and availability payment arrangements (APAs) by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The Statement did not have a material effect on the City’s financial statements upon implementation.

The GASB has issued Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance.*” The primary objective of this Statement is to provide temporary relief from certain newer accounting and financial reporting requirements to governments due to the COVID-19 pandemic. The effective date of certain Statements and Implementation Guides—through GASB Statement No. 93, Replacement of Interbank Offered Rates, and Implementation Guide No. 2019-03, Leases—that first became effective or were scheduled to become effective for periods beginning after June 15, 2018, and later are deferred by either one year or eighteen months.

The GASB has issued Statement No. 96, “*Subscription-Based Information Technology Arrangements.*” The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The Statement did not have a material effect on the City’s financial statements upon implementation.

The GASB has issued Statement No. 97, “*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84.*” The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a

CITY OF PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(16) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Statement did not have a material effect on the City's financial statements upon implementation.

The GASB has issued Statement No. 99, "Omnibus 2022". The Statement addresses three key areas. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The Statement did not have a material effect on the City's financial statements upon implementation.

The GASB has issued Statement No. 100, "Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62". The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023. The City plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 101, "Compensated Absences". The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. The City plans to adopt this Statement as applicable by the effective date.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PORT ALLEN, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual Basis</u>	<u>Adjustment to Budget Basis</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:						
Taxes	\$ 916,250	\$ 916,250	\$ 956,547	\$ -	\$ 956,547	\$ 40,297
Licenses and permits	321,500	321,500	364,908	-	364,908	43,408
Intergovernmental	3,356,300	3,356,300	4,347,085	-	4,347,085	990,785
Charges for services	580,000	580,000	631,185	-	631,185	51,185
Fines and forfeitures	45,000	45,000	30,597	-	30,597	(14,403)
Investment earnings	35,000	35,000	285,814	-	285,814	250,814
Miscellaneous	<u>126,000</u>	<u>126,000</u>	<u>53,067</u>	<u>-</u>	<u>53,067</u>	<u>(72,933)</u>
Total revenues	<u>5,380,050</u>	<u>5,380,050</u>	<u>6,669,203</u>	<u>-</u>	<u>6,669,203</u>	<u>1,289,153</u>
EXPENDITURES:						
Current						
General government	823,704	831,204	914,914	-	914,914	(83,710)
Public safety	1,994,334	1,994,334	1,944,593	-	1,944,593	49,741
Roads and drainage	1,626,971	1,632,569	1,425,497	-	1,425,497	207,072
Depot welcome center	20,100	20,100	9,868	-	9,868	10,232
Sanitation	591,000	591,000	635,261	-	635,261	(44,261)
Health	80,000	80,000	70,869	-	70,869	9,131
Community development	223,052	223,052	154,528	(5,875) ⁽¹⁾	148,653	74,399
Fleet maintenance	148,830	148,830	158,171	-	158,171	(9,341)
Capital outlay						
General government	2,500	2,500	32,762	-	32,762	(30,262)
Public safety	175,000	175,000	116,626	-	116,626	58,374
Roads and drainage	20,000	26,548	169,314	-	169,314	(142,766)
Fleet maintenance	<u>-</u>	<u>638</u>	<u>637</u>	<u>-</u>	<u>637</u>	<u>1</u>
Total expenditures	<u>5,705,491</u>	<u>5,725,775</u>	<u>5,633,040</u>	<u>(5,875)</u>	<u>5,627,165</u>	<u>98,610</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(325,441)</u>	<u>(345,725)</u>	<u>1,036,163</u>	<u>5,875</u>	<u>1,042,038</u>	<u>1,387,763</u>
OTHER FINANCING SOURCES (USES):						
Sales of general fixed assets	2,500	2,500	-	-	-	(2,500)
Operating transfers (out)	<u>(238,575)</u>	<u>(238,575)</u>	<u>(217,259)</u>	<u>-</u>	<u>(217,259)</u>	<u>21,316</u>
Total other financing sources (uses)	<u>(236,075)</u>	<u>(236,075)</u>	<u>(217,259)</u>	<u>-</u>	<u>(217,259)</u>	<u>18,816</u>
Net change in fund balances	<u>\$ (561,516)</u>	<u>\$ (581,800)</u>	<u>818,904</u>	<u>\$ 5,875</u>	<u>\$ 824,779</u>	<u>\$ 1,406,579</u>
Fund balances, beginning of year			<u>9,355,255</u>			
Fund balances, end of year			<u>\$ 10,174,159</u>			

Explanation of differences

(1) Use of encumbrance for budgetary purposes

See Independent Auditors' Report

CITY OF PORT ALLEN, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LOW INCOME HOUSING FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Revised Budget	Actual	Adjustment To Budget Basis	Actual (Budgetary Basis)	Variance - Favorable (Unfavorable)
REVENUES:						
Intergovernmental	\$ 596,000	\$ 596,000	\$ 731,166	\$ -	\$ 731,166	\$ 135,166
Investment earnings	-	-	3,517	-	3,517	3,517
Total revenues	<u>596,000</u>	<u>596,000</u>	<u>734,683</u>	<u>-</u>	<u>734,683</u>	<u>138,683</u>
EXPENDITURES:						
Current						
Housing assistance payments	<u>596,000</u>	<u>596,000</u>	<u>700,882</u>	<u>-</u>	<u>700,882</u>	<u>(104,882)</u>
Total expenditures	<u>596,000</u>	<u>596,000</u>	<u>700,882</u>	<u>-</u>	<u>700,882</u>	<u>(104,882)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>33,801</u>	<u>-</u>	<u>33,801</u>	<u>33,801</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers out	-	-	(4,491)	-	-	(4,491)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,491)</u>	<u>-</u>	<u>-</u>	<u>(4,491)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	29,310			<u>\$ 29,310</u>
Fund balances, beginning of year			<u>73,822</u>			
Fund balances, end of year			<u>\$ 103,132</u>			

See Independent Auditors' Report

CITY OF PORT ALLEN, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL COMPLEX DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Revised Budget	Actual Amounts GAAP Basis	Nonbudgeted Items and Adjustments	Actual (Budgetary Basis)	Variance - Favorable (Unfavorable)
<u>REVENUES:</u>						
Investment earnings	\$ -	\$ -	\$ 7,007	\$ -	\$ 7,007	\$ 7,007
Total revenues	<u>-</u>	<u>-</u>	<u>7,007</u>	<u>-</u>	<u>7,007</u>	<u>7,007</u>
<u>EXPENDITURES:</u>						
Debt service						
Principal	175,000	175,000	195,000	-	195,000	(20,000)
Interest and other charges	<u>63,294</u>	<u>63,294</u>	<u>21,750</u>	<u>-</u>	<u>21,750</u>	<u>41,544</u>
Total expenditures	<u>238,294</u>	<u>238,294</u>	<u>216,750</u>	<u>-</u>	<u>216,750</u>	<u>21,544</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(238,294)</u>	<u>(238,294)</u>	<u>(209,743)</u>	<u>-</u>	<u>(209,743)</u>	<u>28,551</u>
<u>OTHER FINANCING SOURCES (USES):</u>						
Operating transfers in	238,575	238,575	221,750	-	221,750	(16,825)
Refunding bonds issued	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>238,575</u>	<u>238,575</u>	<u>221,750</u>	<u>-</u>	<u>221,750</u>	<u>(16,825)</u>
Net change in fund balances	<u>\$ 281</u>	<u>\$ 281</u>	12,007			<u>\$ 11,726</u>
Fund balances, beginning of year			<u>312,202</u>			
Fund balances, end of year			<u>\$ 324,209</u>			

See Independent Auditors' Report

CITY OF PORT ALLEN, LOUISIANA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2023

	2018	2019	2020	2021	2022	2023
Total OPEB Liability:						
Service cost	\$ 32,288	\$ 29,610	\$ 45,752	\$ 12,420	\$ 10,918	\$ 13,583
Interest	49,170	51,657	53,823	27,476	27,939	28,741
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	753	97,474	(795,135)	44,298	(250,264)	16,481
Changes of assumptions	(52,794)	69,540	457,795	9,110	(247,548)	(11,649)
Benefit payments	(50,579)	(53,361)	(40,114)	(42,320)	(23,977)	(25,296)
Net Change in total OPEB liability	(21,162)	194,920	(277,879)	50,984	(482,932)	21,860
Total OPEB liability - beginning	1,341,169	1,320,007	1,514,927	1,237,048	1,288,032	805,100
Total OPEB liability - ending	<u>\$ 1,320,007</u>	<u>\$ 1,514,927</u>	<u>\$ 1,237,048</u>	<u>\$ 1,288,032</u>	<u>\$ 805,100</u>	<u>\$ 826,960</u>
Covered-employee payroll	\$ 2,478,512	\$ 2,552,867	\$ 2,516,963	\$ 2,592,472	\$ 1,720,164	\$ 1,771,769
Net OPEB liability as a percentage of covered-employee payroll	53.26%	59.34%	49.15%	49.68%	46.80%	46.67%
Notes to Schedule:						
<i>Benefit Changes:</i>	None	None	None	None	None	None
<i>Changes of Assumptions:</i>						
<i>Discount Rate:</i>	3.87%	3.50%	2.21%	2.16%	3.54%	3.65%
<i>Mortality:</i>	RP-2000	RP-2000	RP-2014	RP-2014	RP-2014	RP-2014
<i>Trend:</i>	5.50%	5.50%	4.5% to 5.5%	4.5% to 5.5%	4.5% to 5.5%	4.5% to 5.5%

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

Note: No assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for pension OPEB plan.

See Independent Auditors' Report

CITY OF PORT ALLEN, LOUISIANA
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023

Fiscal Year*	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered-Employee Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
<u>MERS:</u>					
2023	0.8314%	\$ 3,453,127	\$ 1,582,055	218.27%	69.56%
2022	0.7993%	\$ 2,223,200	\$ 1,572,878	141.35%	77.82%
2021	0.8378%	\$ 3,622,109	\$ 1,587,425	228.18%	64.52%
2020	0.8985%	\$ 3,754,343	\$ 1,642,564	228.57%	64.68%
2019	0.8261%	\$ 3,420,800	\$ 1,496,137	228.64%	65.60%
2018	0.8436%	\$ 3,529,114	\$ 1,522,191	231.84%	62.49%
2017	0.7310%	\$ 3,216,663	\$ 1,389,278	231.53%	63.34%
2016	0.8579%	\$ 3,064,467	\$ 1,445,919	211.94%	66.18%
2015	0.8872%	\$ 2,277,039	\$ 1,358,443	167.62%	73.99%
2014	0.8452%	\$ 2,619,595	\$ 1,385,941	189.01%	76.94%
<u>MPERS:</u>					
2023	0.2882%	\$ 2,945,834	\$ 857,749	343.44%	70.80%
2022	0.2564%	\$ 1,366,832	\$ 816,421	167.42%	84.09%
2021	0.2693%	\$ 2,489,034	\$ 831,816	299.23%	70.94%
2020	0.3055%	\$ 2,774,297	\$ 931,120	297.95%	71.01%
2019	0.3054%	\$ 2,581,667	\$ 901,206	286.47%	71.89%
2018	0.3119%	\$ 2,723,255	\$ 942,977	288.79%	70.08%
2017	0.3303%	\$ 3,095,551	\$ 925,154	334.60%	66.04%
2016	0.3203%	\$ 2,508,989	\$ 856,704	292.87%	70.73%
2015	0.3122%	\$ 1,953,311	\$ 783,023	249.46%	75.10%
2014	0.2527%	\$ 2,018,469	\$ 730,526	276.30%	66.71%
<u>LASERS:</u>					
2023	0.0014%	\$ 103,720	\$ 28,508	363.83%	68.40%
2022	0.0015%	\$ 82,119	\$ 28,509	288.05%	63.70%
2021	0.0014%	\$ 119,180	\$ 28,508	418.06%	72.80%
2020	0.0015%	\$ 108,167	\$ 14,254	0.00%	58.00%
2019	0.0000%	\$ -	\$ -	0.00%	64.30%
2018	0.0000%	\$ -	\$ -	0.00%	63.70%
2017	0.0000%	\$ -	\$ 19,846	0.00%	62.61%
2016	0.0015%	\$ 104,607	\$ 28,508	366.94%	62.66%
2015	0.0016%	\$ 99,108	\$ 28,506	347.66%	65.02%
2014	0.0016%	\$ 116,700	\$ 26,316	443.46%	58.64%

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

See Independent Auditors' Report

CITY OF PORT ALLEN, LOUISIANA
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2023

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered- Employee Payroll	Contributions as a Percentage of Covered' Employee Payroll
<u>MERS:</u>					
2023	\$ 436,452	\$ 437,688	\$ (1,236)	\$ 1,479,498	29.58%
2022	\$ 466,706	\$ 466,706	\$ -	\$ 1,582,055	29.50%
2021	\$ 464,048	\$ 464,048	\$ -	\$ 1,572,878	29.50%
2020	\$ 440,510	\$ 440,510	\$ -	\$ 1,587,425	27.75%
2019	\$ 427,066	\$ 427,066	\$ -	\$ 1,642,564	26.00%
2018	\$ 370,294	\$ 370,294	\$ -	\$ 1,496,137	24.75%
2017	\$ 346,299	\$ 346,299	\$ -	\$ 1,522,191	22.75%
2016	\$ 274,382	\$ 274,382	\$ -	\$ 1,389,278	19.75%
2015	\$ 285,569	\$ 285,569	\$ -	\$ 1,445,919	19.75%
2014	\$ 254,708	\$ 254,708	\$ -	\$ 1,358,443	18.75%
<u>MPERS:</u>					
2023	\$ 280,698	\$ 280,698	\$ -	\$ 898,230	31.25%
2022	\$ 255,180	\$ 255,180	\$ -	\$ 857,749	29.75%
2021	\$ 275,542	\$ 266,041	\$ 9,501	\$ 816,421	32.59%
2020	\$ 270,340	\$ 270,340	\$ -	\$ 831,816	32.50%
2019	\$ 300,287	\$ 300,287	\$ -	\$ 931,120	32.25%
2018	\$ 286,133	\$ 286,133	\$ -	\$ 901,206	31.75%
2017	\$ 299,395	\$ 299,395	\$ -	\$ 942,977	31.75%
2016	\$ 272,921	\$ 272,921	\$ -	\$ 925,154	29.50%
2015	\$ 269,862	\$ 269,862	\$ -	\$ 856,704	31.50%
2014	\$ 242,737	\$ 242,737	\$ -	\$ 783,023	31.00%
<u>LASERS:</u>					
2023	\$ 12,639	\$ 12,639	\$ -	\$ 28,508	44.33%
2022	\$ 12,458	\$ 12,405	\$ 53	\$ 28,508	43.51%
2021	\$ 12,101	\$ 12,101	\$ -	\$ 28,509	42.45%
2020	\$ 12,087	\$ 12,087	\$ -	\$ 28,508	42.40%
2019	\$ 5,766	\$ 5,766	\$ -	\$ 14,254	40.10%
2018	\$ -	\$ -	\$ -	\$ -	40.10%
2017	\$ -	\$ -	\$ -	\$ -	38.10%
2016	\$ 7,561	\$ 7,561	\$ -	\$ 19,846	38.10%
2015	\$ 11,831	\$ 11,831	\$ -	\$ 28,508	41.50%
2014	\$ 10,348	\$ 10,348	\$ -	\$ 28,506	36.30%

See Independent Auditors' Report

CITY OF PORT ALLEN
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2023

(1) PENSION PLAN SCHEDULES

Changes of Benefit Terms

For MERS and MPERS, there were no changes of benefit terms during any of the years presented.

For LASERS, a 1.5% cost of living adjustment, effective July 1, 2016, was provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and the system added benefits for members of the Harbor Police Retirement System, which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

Changes of Assumptions

For MERS, for the valuation year ended June 30, 2021, the investment rate of return was decreased from 6.95% to 6.95%. For the valuation year ended June 30, 2020, the investment rate of return was decreased from 7.00% to 6.95%. For the valuation year ended June 30, 2019, the investment rate of return was decreased from 7.275% to 7.0% and the rate of inflation was decreased from 2.60% to 2.50%. For the valuation year ended June 30, 2018, the investment rate of return was decreased from 7.4% to 7.275% and the rate of inflation was decreased from 2.775% to 2.60%. For the valuation year ended June 30, 2017, the investment rate of return was decreased from 7.5% to 7.4%, the rate for projected salary increases was decreased from 5.0% to 4.5%, and the salary growth rates were changed over various years of service.

For MPERS, for the valuation year ended June 30, 2021, the investment rate of return decreased from 6.950% to 6.750%. For the valuation year ended June 30, 2020, the investment rate of return decreased from 7.125% to 6.950%, the salary growth rate increased from 9.75% for 1-2 years of service to 12.30%, the salary growth rate decreased from 4.75% for 3-23 years of service to 4.70%, and the salary growth rate decreased for over 23 years to 2.70%. Additionally, the mortality tables changed from RP-200 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA for healthy annuitants and beneficiaries, RP-200 Disabled Lives Table, and RP-200 Employee Table to Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees, Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees, and Pub-2010 Public Retirement Plans Morality Table for Safety Below-Median Employees. For the valuation year ended June 30, 2019, the investment rate of return decreased from 7.20% to 7.125% and the inflation rate decreased from 2.60% to 2.50%. For the valuation year ended June 30, 2018, the investment rate of return decreased from 7.325% to 7.20% and the inflation rate decreased from 2.70% to 2.60%. For the valuation year ended June 30, 2017, the inflation rate decreased from 2.875% to 2.70%.

CITY OF PORT ALLEN
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION (CONTINUED)
JUNE 30, 2023

For LASERS, for the valuation year ended June 30, 2022, the investment rate of return decreased from 7.40% to 7.25%. For the valuation year ended June 30, 2021, the investment rate of return was decreased from 7.55% to 7.40%. For the valuation year ended June 30, 2020, the investment rate of return was decreased from 7.60% to 7.55%; the inflation rate was also decreased from 2.5% to 2.3%; and salary increases decreased from 2.8% to 14.0% to 2.6% to 13.8%. For the valuation year ended June 30, 2019, the investment rate of return was decreased from 7.65% to 7.60%. The inflation rate was also decreased from 2.75% to 2.5%. For the valuation year ended June 30, 2018, the investment rate of return was decreased from 7.70% to 7.65%. For the valuation year ended June 30, 2017, the investment rate of return was decreased from 7.70% to 7.65%.

OTHER SUPPLEMENTARY INFORMATION

CITY OF PORT ALLEN, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO CITY COUNCIL
FOR THE YEAR ENDED JUNE 30, 2023

Council Member

Brandon Brown	\$	12,900
Charlene Gordon		12,000
Garry Hubble		12,000
Clerice Lacy		12,000
Hugh Riviere		<u>12,000</u>
	\$	<u>60,900</u>

See Independent Auditors' Report

CITY OF PORT ALLEN, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2023

	Mayor <u>Richard Lee</u>
Salary	\$ 84,960
Benefits - retirement	25,063
Car allowance	4,800
Clothing allowance	325
Reimbursements	<u>542</u>
Total compensation, benefits, and other payments	<u>\$ 115,690</u>

CITY OF PORT ALLEN, LOUISIANA
JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
FOR THE YEAR ENDED JUNE 30, 2023

Cash Basis Presentation	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>6/30/2023</u>
Receipts From:		
City Court of Port Allen, Criminal Court Costs/Fees	\$ 16,079	\$ 14,423

See Independent Auditors' Report

CITY OF PORT ALLEN, LOUISIANA
SCHEDULE OF INSURANCE IN FORCE
YEAR ENDED JUNE 30, 2023

Western Surety Co	Fidelity Bond - Mayor - R. Lee	\$50,000 employee faithful performance bond	6/30/2022-6/30/2023
Western Surety Co	Fidelity Bond - Chief Admn Officer - L. Joseph	\$50,000 employee faithful performance bond	6/30/2022-6/30/2023
Travelers Casualty and Surety Company of America	Fidelity Bond - Brandon Brown	\$50,000 employee faithful performance bond	1/1/2021-1/1/2025
Travelers Casualty and Surety Company of America	Fidelity Bond - Municipal Clerk - R. Roche'	\$50,000 employee faithful performance bond	1/1/2021-1/1/2025
Travelers Casualty and Surety Company of America	Fidelity Bond - Police Chief - C. Hicks	\$50,000 employee faithful performance bond	1/1/2021-1/1/2025
Louisiana Municipal Risk Management Agency	Workers Compensation	Statutory	7/1/2022-6/30/2023
Rod Prejean & Associates	Auto physical damage	ACV with a \$250 comprehensive deductible and a \$500 collision deductible	7/1/2022-6/30/2023
EMC Insurance Co	Business Protection - Inland Marine	\$256,000 maximum w/ \$1,000 deductible	7/1/2022-6/30/2023
EMC Insurance Co	Business Protection - Property	DPW buildings \$293,800; contents \$457,000; WWTP buildings \$47,200, contents \$18,000; Water Well buildings \$94,200; Depot building, \$82,700, City Court contents \$5,000; City Hall building \$2,500,000, contents \$90,000; 90% co-insurance. \$1,000 deductible per occurrence on all covered losses except 5% on windstorm or hail.	7/1/2022-6/30/2023
Louisiana Municipal Risk Management Agency	Auto & Commercial General liability, Errors and Omissions, Law Enforcement Officer	All risks \$500,000 Combined Single Limit	7/1/2022-6/30/2023

See Independent Auditors' Report

CITY OF PORT ALLEN, LOUISIANA
SCHEDULE OF STATISTICAL DATA
FOR THE YEAR ENDED JUNE 30, 2023

Number of sewer customers for the year ended June 30, 2023	2,473
User fee in effect at June 30, 2023:	
First 2,000 gallons of water used	20.40
Every 1,000 gallons of water in excess of 2,000 gallons	3.55
Total sewer revenue	\$ 1,031,576
Average monthly bill per user	\$ 34.76

**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***

To the Honorable Mayor and Members of the City Council
City of Port Allen, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, and each major fund of the City of Port Allen, Louisiana (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 26, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying *schedule of findings and responses* as items 2023-001 and 2023-002 that we consider to be a material weakness.



To the Honorable Mayor and Members of the City Council
City of Port Allen, Louisiana
February 26, 2024

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 findings and responses* as items 2023-003 and 2023-004.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. City's response was not subject 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.

This report is intended solely for the information and use of management, the City Council, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

February 26, 2024
Baton Rouge, Louisiana

Certified Public Accountants



**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE FOR THE U.S.
DEPARTMENT OF TREASURY CORONAVIRUS STATE AND LOCAL FISCAL
RECOVERY FUNDS PROGRAM (CSLFRF) REQUIREMENTS FOR AN
ALTERNATIVE CSLFRF COMPLIANCE EXAMINATION ENGAGEMENT**

To the Honorable Mayor and Members of the City Council
City of Port Allen, Louisiana

We have examined City of Port Allen's 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 2022 OMB *Compliance Supplement* (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended June 30, 2023. Management of City of Port Allen is responsible for City of Port Allen's compliance with the specified requirements. Our responsibility is to express an opinion on City of Port Allen'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 in 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 City of Port Allen complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Port Allen 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 and 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 of Port Allen's compliance with specified requirements.

In our opinion, City of Port Allen complied, in all material respects, with the specified requirements referenced above during the year ended June 30, 2023.



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Honorable Mayor and Members of the City Council
City of Port Allen, Louisiana
February 26, 2024

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 City of Port Allen’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 City of Port Allen’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*.

Purpose of this Report

The purpose of this examination report is solely to express an opinion on whether City of Port Allen complied, in all material respects with the specified requirements referenced above during the year ended June 30, 2023. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

February 26, 2024
Baton Rouge, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

CITY OF PORT ALLEN, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023

SECTION I- SUMMARY OF AUDITORS' REPORT

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the City of Port Allen, Louisiana (the City).
2. Two material weaknesses in internal control relating to the audit of the financial statements was reported in the 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*.
3. Two instances of noncompliance material to the financial statements were reported in the 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*.
4. No findings are reported in the Independent Accountants' Report on Compliance for the U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Program (CSLFRF) Requirements for an Alternative CSLFRF Compliance Examination.
5. A management letter was not issued for the year ended June 30, 2023.

SECTION II – FINDINGS - FINANCIAL STATEMENT AUDIT

Material Weaknesses

Finding 2023-001 Timely Account Reconciliation

Condition: Many significant accounts were not reconciled from subsidiary ledger or supporting workpaper to the general ledger until year-end in preparation for the audit.

Criteria: Significant accounts should be reconciled timely and someone independent of the individual who prepares account reconciliations should be responsible for reviewing them.

Effect: Numerous adjustments were identified subsequent to year-end. Therefore, the financial information utilized in the management of the City financial affairs was incomplete.

Cause: The City's previous CFO became ill and took an extended leave of absence, therefore, her duties were not being attended to for an extended period of time before she resigned. The City was not able to fill the position until later in the fiscal year.

Recommendation: Management should identify significant accounts requiring reconciliation, clearly identify who is responsible, provide for back up should the person responsible be unable to perform such duties, identify persons responsible for their

CITY OF PORT ALLEN, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

review, and what is an acceptable period to go unreconciled. The City should put in place contingency plans to fulfill key roles and responsibilities.

View of Responsible Officials: A CFO has been hired and account reconciliation will occur monthly.

Finding 2023-002 Journal Entry Approval

Condition: Not all journal entries were approved by a person independent of preparing these entries.

Criteria: Someone independent of the individual who prepares journal entries should be responsible for approving them.

Effect: Improper journal entries could be recorded and not corrected in a timely manner.

Cause: Journal entries were not reviewed and approved by a person independent of preparing the journal entries..

Recommendation: Journal entries should be timely submitted to an individual independent of preparing journal entries for review.

View of Responsible Officials: The CPA, CFO, or Assistant CFO will make journal entries. One the CFO or Assistant CFO will approve the JE's of the other employee. There should be a signature and a date representing the approval.

Compliance Findings

Finding 2023-003 Failure to Comply with Local Government Budget Act Regarding Requirement to Amend the Budget If Greater Than 5% Unfavorable Variance in Total Revenues or Expenditures

Condition: The Low-Income Housing Fund's total expenditures exceeded budgeted expenditures by more than 5%.

Criteria: R.S. 39:1311 requires that the budget of a fund be amended in the event that total revenue and other sources plus projected revenue are failing to meet total budgeted revenues and other sources by 5% or more, or total expenditures and other uses plus projected expenditures and other uses within a fund are exceeding the total budgeted expenditures and other uses by 5% or more.

Effect: Revenues and expenditures could be made in a manner inconsistent with the Board's approval.

CITY OF PORT ALLEN, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Cause: The City did not have adequate controls in place to monitor for unfavorable balances in excess of statutory limitations.

Recommendation: The City should put procedures in place to review the budget to actual comparisons periodically and make amendments as necessary.

View of Responsible Officials: Going forward, each month a reconciliation of Low-Income Housing Funds will be conducted. Any variance will be disclosed and rectified at that time. Due to not having a CFO, this was not completed due to lack of staff.

Finding 2023-004 Noncompliance with Louisiana Audit Law Reporting Requirements

Criteria: The City is required to provide an annual financial report to the Louisiana Legislative Auditor no later than six months after its fiscal year end in accordance with Louisiana Revised Statutes 25:513 and 24:514.

Condition: The City did not provide an annual financial report to the Louisiana Legislative Auditor no later than six months after its fiscal year end.

Effect: The City is not in compliance with Louisiana Revised Statute 24:513 and 24:514.

Cause: The City did not have proper procedures in place to ensure compliance with these laws.

Recommendation: The City should put additional policies and procedures in place to ensure that required annual reports are filed in a timely manner.

View of Responsible Officials: Due to not having proper staff, this was unavoidable. A CFO has been hired and we do not anticipate this occurring again.

CITY OF PORT ALLEN
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

INTERNAL CONTROL FINDINGS

Finding 2023-001 Timely Account Reconciliation

Condition: Many significant accounts were not reconciled from subsidiary ledger or supporting workpaper to the general ledger until year-end in preparation for the audit.

This finding has not been resolved as of June 30, 2023.

COMPLIANCE FINDINGS

Finding 2023-002 Prohibited Use of Public Funds- Donation of Property

Condition: Management authorized the sidewalk installation at North 11th and Michigan Street which varied from traditional specifications approved and budgeted by the council without getting council approval.

This finding has been resolved as of June 30, 2023.

Finding 2023-003 Violation of Ethics Law- Related Party Transaction

Condition: Management authorized the sidewalk installation at North 11th and Michigan Street which may be considered a prohibited use of public funds as a donation of property. The mayor is a member of the organization in which the property is located.

This finding has been resolved as of June 30, 2023.

Finding 2023-004 Failure to Comply with Local Government Budget Act Regarding Requirement to Amend the Budget If Greater Than 5% Unfavorable Variance in Total Revenues or Expenditures

Condition:

- The Low-Income Housing Fund's total expenditures exceeded budgeted expenditures by more than 5%.
- The Municipal Complex Debt Service Fund's total revenues and other sources failed to meet budgeted revenues by more than 5%, and total expenditures exceeded budgeted expenditures by more than 5%

This finding has not been resolved as of June 30, 2023.

CITY OF PORT ALLEN
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Item 2022-005 Utility Department Past Due Receivables

Criteria. Accounts that become delinquent as defined in Ordinance 86-3 should be shut off water and gas services to the affected premises until all such charges for utilities, including late payments, has been paid in full.

This finding has been resolved as of June 30, 2023.

CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED
JUNE 30, 2023





INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the City of Port Allen and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended June 30, 2023. City of Port Allen's management is responsible for those C/C areas identified in the SAUPs.

City of Port Allen has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the year ended June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and associated findings are detailed in Schedule "1".

We were engaged by City of Port Allen to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

February 27, 2024
Baton Rouge, Louisiana


Certified Public Accountants

CITY OF PORT ALLEN
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2023

1) WRITTEN POLICIES AND PROCEDURES

- A. Procedures:** Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - 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.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (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.

CITY OF PORT ALLEN
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

1) WRITTEN POLICIES AND PROCEDURES (CONTINUED)

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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.
- l) ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: Exception noted, the payroll/personnel policy had no section regarding the approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules. The sexual harassment policy did not have the requirements for R.S. 42:342-344.

2) BOARD OR FINANCE COMMITTEE

- A. **Procedures:** 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.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
 - 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.

CITY OF PORT ALLEN
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

2) BOARD OR FINANCE COMMITTEE (CONTINUED)

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: Exception noted, no reference to budget-to-actual comparison. No reference to written updates of progress of resolving audit findings.

3) BANK RECONCILIATIONS

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

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged)
- 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)
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement's closing date, if applicable.

Results: Exception noted, one account reconciliation prepared 4 months after closing date; one account has no evidence of research for reconciling items.

CITY OF PORT ALLEN
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

4) **COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)**

- A. **Procedure:** 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 five deposit sites (or all deposit sites if less than five).

Results: No exceptions were found as a result of applying the procedure.

- B. **Procedures:** 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. five collection locations for five 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.
- 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.
- 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.
- 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.

Results: No exceptions were found as a result of applying the procedure.

- C. **Procedure:** 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.

Results: Exception noted, the insurance policy for theft did not cover all employees who have access to cash for the fiscal year.

CITY OF PORT ALLEN
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

4) COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS) (CONTINUED)

- D. Procedures:** Randomly select two deposit dates for each of the five bank accounts selected for procedure #3A 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). Alternatively, 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 ten deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - 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 ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of applying the procedure.

5) NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

- A. Procedure:** 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 five).

Results: No exceptions were found as a result of applying the procedure.

- B. Procedures:** For each location selected under #5A 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.

CITY OF PORT ALLEN
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

5. NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)

- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- 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.
- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: No exceptions were found as a result of applying the procedure.

C. Procedures: For each location selected under #5A 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 five 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.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

Results: No exceptions were found as a result of applying the procedure.

CITY OF PORT ALLEN
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

5) NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)

D. Procedures: Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was

- a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy,
- b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: The entity did not have any non-payroll related electronic disbursements. Therefore, this procedure was not applicable to the entity.

6) CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)

A. Procedures: Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

Results: No exceptions were found as a result of applying the procedure.

B. Procedures: Using the listing prepared by management, randomly select five cards (or all cards if less than five) 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of the Lawrason Act municipality, should not be reported); and
- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions were found as a result of applying the procedure.

CITY OF PORT ALLEN
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

6) CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)
(CONTINUED)

C. Procedures: 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). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions were found as a result of applying the procedure.

7) TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

A. Procedures: 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 five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- 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).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of applying the procedure.

CITY OF PORT ALLEN
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

8) CONTRACTS

- A. Procedures:** 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. Alternatively, 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 five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
- 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.
 - 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).
 - 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 (e.g. if approval is required for any amendment was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the five 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.

Results: Exception noted, one of the contracts did not have recorded approval by the council.

9) PAYROLL AND PERSONNEL

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

Results: No exceptions were found as a result of applying the procedure.

- B. Procedures:** Randomly select one pay period during the fiscal period. For the five employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

CITY OF PORT ALLEN
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

9) **PAYROLL AND PERSONNEL (CONTINUED)**

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

Results: No exceptions were found as a result of applying the procedure.

- C. **Procedures:** 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 and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy of termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or officials' personnel files, and agree the termination payment to entity policy.

Results: No exceptions were found as a result of applying the procedure.

- D. **Procedure:** 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.

Results: No exceptions were found as a result of applying the procedure.

10) **ETHICS**

- A. **Procedures:** Using the five randomly selected employees/officials from procedure #9A 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, as applicable.
- 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.

Results: No exceptions were found as a result of applying the procedure.

- B. **Procedures:** Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: No exceptions were found as a result of applying the procedure.

CITY OF PORT ALLEN
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

11) DEBT SERVICE

A. Procedure: Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Results: No debt instruments were issued during the fiscal period; therefore, this procedure is not applicable.

B. Procedure: 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).

Results: No debt instruments were issued during the fiscal period; therefore, this procedure is not applicable.

12) FRAUD NOTICE

A. Procedure: 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 Organization attorney of the parish in which the entity is domiciled.

Results: There were no misappropriations of public funds and assets during the fiscal period; therefore, this procedure is not applicable.

B. Procedure: 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.

Results: No exceptions were found as a result of applying the procedure.

CITY OF PORT ALLEN
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

13) INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

- A. **Procedures:** 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 (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - 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.
 - 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.

Results: We performed the procedures and discussed the results with management.

- B. **Procedures:** Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: We performed the procedures and discussed the results with management.

14) SEXUAL HARASSMENT

- A. **Procedures:** Using the 5 randomly selected employees/officials from procedure #9A 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.

Results: Exception noted, one employee/official did not provide completion support for the sexual harassment training.

- B. **Procedure:** 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).

Results: Exception noted, the sexual harassment policy was not posted on the website.

CITY OF PORT ALLEN
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

14) SEXUAL HARASSMENT (CONTINUED)

C. Procedure: 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 amount of time it took to resolve each complaint.

Results: Exception noted, the entity did not complete the sexual harassment report.

Management's Responses to Findings

1) WRITTEN POLICIES AND PROCEDURES

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

- 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.

Management's Response:

Management agrees with this finding. We are in the process of updating our written policies and procedures which will include payroll processing, 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.

Corrective Action Plan:

Management will have the policy and procedures completed and approved by the board for the May 2024 board meeting.

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

Management's Response:

Management agrees with this finding.

Corrective Action Plan:

Management has developed a Sexual Harassment policy and procedures. In addition, and a report to meet the requirements of R.S. 42:343-344.

The policy will include procedures to ensure all employees and board members complete this annual requirement.

The policy will be presented for approval at the May 2024 Board meeting.

We were not aware of the reporting requirements for R.S. 42 until after the deadline of February 1st had passed. We developed a report in November 202 and continue to utilize this report annually.

2) **BOARD OR FINANCE COMMITTEE**

- A. **Procedures:** Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relation to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

Management's Response:

Management agrees with this finding.

Corrective Action Plan:

Since hiring a Chief Financial Officer (CFO), in February 2023, the CFO has been presenting budget-to-actual reporting during committee meetings each month for all of the departments with the exception of not-for-profit. Moving forward, the not-for profit will be included in the presentation each month.

In addition, the CFO will send a copy of the monthly reports to the City Clerk, who will insert the presentation in the minutes, as an attachment.

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Management's Response:

Management agrees with this finding.

Corrective Action Plan:

Since hiring a Chief Financial Officer (CFO), in February 2023, the CFO will present all Audit findings to the board at the meetings proceeding receipt of the audit report.

In addition, the CFO will send a copy of the monthly reports to the City Clerk, who will attach the presentation in the minutes and include a disclosure of the presentation in the minutes.

professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternatively, 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 five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:

- 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)

Management's Response:

Management agrees with this finding.

Corrective Action Plan:

CFO will work with the City Clerk to get the record of this approval and submit the documentation to the Auditors. Going forward, Senior will review and approve board meeting minutes prior to the next month's meeting to ensure disclosure of all matters concerning contracts.

14) SEXUAL HARASSMENT

- A. Procedures:** Using the 5 randomly selected employees/officials from procedures #9A under "Payroll and Personnel" above, obtain sexual harassments training documentation from management, and observe that that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Management's Response:

Management agrees with this finding.

Corrective Action Plan:

Management has developed a Sexual Harassment policy and procedures. In addition, and a report to meet the requirements of R.S. 42:343-344.

The policy will include procedures to ensure all employees and board members complete this annual requirement.

The policy will be presented for approval at the May 2024 Board meeting.

-
- B. Procedures:** 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).

Management's Response:

Management agrees with this finding.

Corrective Action Plan:

Management will make public on its website the sexual harassment policy and procedures once it has been approved by the board.

The policy will be presented for approval at the May 2024 Board meeting.

- C. **Procedures:** 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:.

Management's Response:

Management agrees with this finding.

Corrective Action Plan:

A report for 2024 has been, within the required deadline and met the requirement. See Exhibit B.
