

CITY OF SCOTT, LOUISIANA

Financial Report

Year Ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

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The Honorable Jan-Scott Richard, Mayor,
and Members of the Board of Aldermen
City of Scott, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Scott, Louisiana (City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scott, Louisiana, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and the schedules of changes in net OPEB liability and related ratios, employer OPEB contributions, employer's share of net pension liability and employer contributions on pages 49 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Scott, Louisiana's basic financial statements. The other supplementary information on pages 59 through 85 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on page 91 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The comparative statements on pages 59, 60, and 79 through 85 and the schedule of expenditures of federal awards on page 91 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 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, these comparative statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The prior year comparative information on the comparative statements has been derived from the City of Scott's 2019 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements from which they have been derived.

The various schedules on pages 61 through 78 included in other supplementary information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2020, on our consideration of the City of Scott, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 5, 2020

BASIC FINANCIAL STATEMENTS

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

CITY OF SCOTT, LOUISIANA

Statement of Net Position
June 30, 2020

ASSETS	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current assets:			
Cash and interest-bearing deposits	\$ 8,759,060	\$ 2,034,995	\$ 10,794,055
Investments	2,325,243	106,050	2,431,293
Receivables, net	488,008	402,533	890,541
Internal balances	(1,356,413)	1,356,413	-
Due from other governmental units	277,200	-	277,200
Prepaid items	85,851	17,520	103,371
Total current assets	<u>10,578,949</u>	<u>3,917,511</u>	<u>14,496,460</u>
Noncurrent assets:			
Restricted assets:			
Interest-bearing deposits	11,144,427	97,783	11,242,210
Investments	-	168,431	168,431
Capital assets:			
Land and construction in progress	11,534,994	2,253,054	13,788,048
Other capital assets, net	14,032,655	12,252,602	26,285,257
Total noncurrent assets	<u>36,712,076</u>	<u>14,771,870</u>	<u>51,483,946</u>
Total assets	<u>47,291,025</u>	<u>18,689,381</u>	<u>65,980,406</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	1,388,836	94,297	1,483,133
Deferred outflows of resources related to net OPEB obligation	443,632	51,188	494,820
Total deferred outflows of resources	<u>1,832,468</u>	<u>145,485</u>	<u>1,977,953</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	1,055,071	209,546	1,264,617
Unearned revenue	57,492	76,102	133,594
Customers' deposits payable	-	192,828	192,828
Bonds payable	905,000	34,000	939,000
Accrued interest payable	115,172	2,854	118,026
Total current liabilities	<u>2,132,735</u>	<u>515,330</u>	<u>2,648,065</u>
Noncurrent liabilities:			
Compensated absences payable	51,860	615	52,475
Bonds payable	18,295,000	664,863	18,959,863
Net OPEB obligation payable	1,182,129	136,399	1,318,528
Net pension liability	4,222,269	308,510	4,530,779
Total noncurrent liabilities	<u>23,751,258</u>	<u>1,110,387</u>	<u>24,861,645</u>
Total liabilities	<u>25,883,993</u>	<u>1,625,717</u>	<u>27,509,710</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	204,490	22,295	226,785
Deferred inflows of resources related to net OPEB obligation	46,417	5,356	51,773
Total deferred inflows of resources	<u>250,907</u>	<u>27,651</u>	<u>278,558</u>
NET POSITION			
Net investment in capital assets	16,569,899	13,840,793	30,410,692
Restricted for sales tax dedications	8,464,272	-	8,464,272
Restricted for debt service	438,495	36,532	475,027
Unrestricted	(2,484,073)	3,304,173	820,100
Total net position	<u>\$ 22,988,593</u>	<u>\$ 17,181,498</u>	<u>\$ 40,170,091</u>

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

CITY OF SCOTT, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2020

Activities	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position		
					Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 1,403,652	\$ 338,484	\$ -	\$ -	\$ (1,065,168)	\$ -	\$ (1,065,168)
Public safety:							
Police	3,587,494	298,807	437,290	-	(2,851,397)	-	(2,851,397)
Fire	690,317	-	51,945	-	(638,372)	-	(638,372)
Streets	2,799,090	-	34,396	714,342	(2,050,352)	-	(2,050,352)
Culture and tourism	93,582	36,279	-	21,792	(35,511)	-	(35,511)
Interest on long-term debt	453,769	-	-	-	(453,769)	-	(453,769)
Total governmental activities	<u>9,027,904</u>	<u>673,570</u>	<u>523,631</u>	<u>736,134</u>	<u>(7,094,569)</u>	<u>-</u>	<u>(7,094,569)</u>
Business-type activities:							
Gas	407,873	514,907	-	-	-	107,034	107,034
Water	1,482,657	1,370,494	13,200	-	-	(98,963)	(98,963)
Sewer	545,904	609,494	-	-	-	63,590	63,590
Garbage	889,647	905,056	-	-	-	15,409	15,409
Total business-type activities	<u>3,326,081</u>	<u>3,399,951</u>	<u>13,200</u>	<u>-</u>	<u>-</u>	<u>87,070</u>	<u>87,070</u>
Total	<u>\$ 12,353,985</u>	<u>\$ 4,073,521</u>	<u>\$ 536,831</u>	<u>\$ 736,134</u>	<u>(7,094,569)</u>	<u>87,070</u>	<u>(7,007,499)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					341,713	-	341,713
Sales and use taxes, levied for general purposes					6,153,751	-	6,153,751
Franchise taxes					539,512	-	539,512
Grants and contributions not restricted to specific programs -							
State sources					16,217	-	16,217
Non employer pension contribution					101,091	9,297	110,388
Interest and investment earnings					211,428	37,120	248,548
Miscellaneous					42,103	-	42,103
Transfers					144,648	(144,648)	-
Total general revenues and transfers					<u>7,550,463</u>	<u>(98,231)</u>	<u>7,452,232</u>
Change in net position					455,894	(11,161)	444,733
Net position - June 30, 2019					<u>22,532,699</u>	<u>17,192,659</u>	<u>39,725,358</u>
Net position - June 30, 2020					<u>\$ 22,988,593</u>	<u>\$ 17,181,498</u>	<u>\$ 40,170,091</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

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

1968 Sales Tax Fund -

To account for the receipt and use of the proceeds of a 1% sales and use tax. These taxes are dedicated and used for the purpose of construction, acquiring, extending, improving and/or maintaining sewers and sewerage disposal works, waterworks, drainage facilities, streets and sidewalks, including the purchase of equipment therefore, title to which improvements shall be in the public name, or for any one or more of said purposes. The tax is also subject to funding into bonds of the City in the manner authorized in the Louisiana Revised Statutes.

1984 Sales Tax Fund -

To account for the receipt and use of the proceeds of a 1% sales and use tax. These taxes are dedicated and used for the purpose of construction, acquiring, extending, improving, operating and/or maintaining public streets and bridges, sewers and sewerage disposal works, recreational facilities and drainage facilities; purchasing and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities; providing additional funds to maintain the City's auxiliary police force and volunteer fire department; maintaining the natural gas transmission and distribution system of the City; and funding into bonds for any of these purposes in accordance with the Louisiana Revised Statutes.

Apollo Road Economic Development District Sales Tax Fund -

To account for the receipt and use of the proceeds of a 1% sales and use tax levied on the businesses located in the Apollo Road Economic Development District, State of Louisiana (the "District"). These taxes are dedicated and used for the purpose of financing economic development projects in the District.

Capital Projects Funds

Street Construction Fund

To account for improvements to the City's infrastructure using proceeds from various grants, bond proceeds and City funds.

LCDBG Fund

The LCDBG Fund is used to account for the construction of projects provided by the Louisiana Community Development Block Grant and Utility Fund revenues (transfers).

Debt Service Fund

Sales Tax Bonds Fund -

To accumulate monies for payment of \$10,000,000 of Sales Tax Bonds, Series 2012. Debt service is financed from the collection of the City's 1984 1% sales tax and the Apollo Economic Development District sales tax.

Enterprise Fund

Utility Fund -

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

CITY OF SCOTT, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2020

ASSETS	General	1968 Sales	1984 Sales	Apollo Economic	Street	LCDBG	Sales Tax	Total
		Special Revenue	Special Revenue	District				
		Sales Tax	Sales Tax	Sales Tax				
Cash	\$ 320,987	\$ 37,985	\$ 323,744	\$ -	\$ 802	\$553,492	\$ -	\$ 1,237,010
Interest-bearing deposits	556,925	2,967,065	2,843,461	1,154,599	10,677,832	-	466,595	18,666,477
Investments	531,116	1,675,639	118,488	-	-	-	-	2,325,243
Receivables:								
Taxes	9,526	208,343	208,343	61,631	-	-	-	487,843
Accrued interest	-	72	72	21	-	-	-	165
Due from other funds	808,164	-	698,472	2,249,497	1,227,901	-	290,784	5,274,818
Due from other governmental units	4,880	-	51,945	186,103	-	34,272	-	277,200
Prepaid items	85,851	-	-	-	-	-	-	85,851
Total assets	<u>\$2,317,449</u>	<u>\$4,889,104</u>	<u>\$4,244,525</u>	<u>\$3,651,851</u>	<u>\$11,906,535</u>	<u>\$587,764</u>	<u>\$757,379</u>	<u>\$28,354,607</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 115,135	\$ 77,703	\$ 19,138	\$ 35,193	\$ 6,900	\$ -	\$ -	\$ 254,069
Contracts payable	-	15,785	-	23,053	266,646	5,980	-	311,464
Retainage payable	-	-	-	-	332,167	28,292	-	360,459
Accrued liabilities	125,279	1,576	1,766	458	-	-	-	129,079
Due to other funds	636,766	1,486,159	2,277,221	375,309	1,098,572	553,492	203,712	6,631,231
Unearned revenue	49,645	-	7,847	-	-	-	-	57,492
Total liabilities	<u>926,825</u>	<u>1,581,223</u>	<u>2,305,972</u>	<u>434,013</u>	<u>1,704,285</u>	<u>587,764</u>	<u>203,712</u>	<u>7,743,794</u>
Fund balances -								
Nonspendable (prepaid items)	85,851	-	-	-	-	-	-	85,851
Restricted - sales tax dedications	-	3,307,881	1,938,553	3,217,838	-	-	-	8,464,272
Restricted - capital expenditures	-	-	-	-	10,202,250	-	-	10,202,250
Restricted - debt service	-	-	-	-	-	-	553,667	553,667
Unassigned	1,304,773	-	-	-	-	-	-	1,304,773
Total fund balances	<u>1,390,624</u>	<u>3,307,881</u>	<u>1,938,553</u>	<u>3,217,838</u>	<u>10,202,250</u>	<u>-</u>	<u>553,667</u>	<u>20,610,813</u>
Total liabilities and fund balances	<u>\$2,317,449</u>	<u>\$4,889,104</u>	<u>\$4,244,525</u>	<u>\$3,651,851</u>	<u>\$11,906,535</u>	<u>\$587,764</u>	<u>\$757,379</u>	<u>\$28,354,607</u>

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

CITY OF SCOTT, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2020

Total fund balances for governmental funds at June 30, 2020		\$ 20,610,813
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 1,532,674	
Construction in progress	10,002,320	
Buildings and improvements, net of \$2,133,866 accumulated depreciation	4,614,968	
Infrastructure, net of \$12,976,902 accumulated depreciation	8,473,575	
Equipment, furniture, and fixtures net of \$2,594,841 accumulated depreciation	<u>944,112</u>	25,567,649
The deferred outflows of expenditures for the municipal and police employees retirement systems and net OPEB obligation are not a use of current resources, and therefore, are not reported in the funds		1,832,468
Long-term liabilities at June 30, 2020:		
Accrued interest payable	(115,172)	
Bonds payable	(19,200,000)	
Compensated absences	(51,860)	
Net OPEB obligation	(1,182,129)	
Net pension payable	<u>(4,222,269)</u>	(24,771,430)
The deferred inflows of contributions for the municipal and police employees retirement systems and net OPEB obligation are not available resources, and therefore, are not reported in the funds		<u>(250,907)</u>
Total net position of governmental activities at June 30, 2020		<u>\$ 22,988,593</u>

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

CITY OF SCOTT, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended June 30, 2020

	General	1968 Sales Sales Tax Special Revenue	1984 Sales Sales Tax Special Revenue	Apollo Economic Development District Sales Tax Special Revenue	Street Construction	LCDBG	Sales Tax Bonds	Total
Revenues:								
Taxes	\$ 881,225	\$ 2,623,015	\$ 2,623,015	\$ 907,721	\$ -	\$ -	\$ -	\$ 7,034,976
Licenses and permits	338,484	-	-	-	-	-	-	338,484
Intergovernmental	495,550	14,145	51,945	-	-	714,342	-	1,275,982
Fines and forfeits	298,807	-	-	-	-	-	-	298,807
Miscellaneous	92,222	68,638	52,930	17,736	54,071	-	4,213	289,810
Total revenues	<u>2,106,288</u>	<u>2,705,798</u>	<u>2,727,890</u>	<u>925,457</u>	<u>54,071</u>	<u>714,342</u>	<u>4,213</u>	<u>9,238,059</u>
Expenditures:								
Current -								
General government	1,130,777	48,257	47,297	7,045	-	-	-	1,233,376
Public safety:								
Police	2,995,880	-	-	-	-	-	-	2,995,880
Fire	-	-	681,332	-	-	-	-	681,332
Streets	797,336	423,993	129,837	-	-	-	-	1,351,166
Culture and tourism	57,046	-	-	-	-	-	-	57,046
Capital outlay	273,540	583,785	54,742	629,090	2,441,264	-	-	3,982,421
Debt service -								
Principal retirement	-	-	-	-	-	-	440,000	440,000
Interest, bond issuance and agent fees	-	-	-	-	106,805	-	253,315	360,120
Total expenditures	<u>5,254,579</u>	<u>1,056,035</u>	<u>913,208</u>	<u>636,135</u>	<u>2,548,069</u>	<u>-</u>	<u>693,315</u>	<u>11,101,341</u>
Excess (deficiency) of revenues over expenditures	<u>(3,148,291)</u>	<u>1,649,763</u>	<u>1,814,682</u>	<u>289,322</u>	<u>(2,493,998)</u>	<u>714,342</u>	<u>(689,102)</u>	<u>(1,863,282)</u>
Other financing sources (uses):								
Bond proceeds	-	-	-	-	12,000,000	-	-	12,000,000
Transfers in	3,210,000	-	-	-	72,500	11,258	961,134	4,254,892
Transfers out	-	(876,421)	(1,709,662)	(784,039)	(14,522)	(725,600)	-	(4,110,244)
Total other financing sources (uses)	<u>3,210,000</u>	<u>(876,421)</u>	<u>(1,709,662)</u>	<u>(784,039)</u>	<u>12,057,978</u>	<u>(714,342)</u>	<u>961,134</u>	<u>12,144,648</u>
Net changes in fund balances	61,709	773,342	105,020	(494,717)	9,563,980	-	272,032	10,281,366
Fund balances, beginning	<u>1,328,915</u>	<u>2,534,539</u>	<u>1,833,533</u>	<u>3,712,555</u>	<u>638,270</u>	<u>-</u>	<u>281,635</u>	<u>10,329,447</u>
Fund balances, ending	<u>\$ 1,390,624</u>	<u>\$ 3,307,881</u>	<u>\$ 1,938,553</u>	<u>\$ 3,217,838</u>	<u>\$ 10,202,250</u>	<u>\$ -</u>	<u>\$ 553,667</u>	<u>\$ 20,610,813</u>

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

CITY OF SCOTT, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2020

Total net changes in fund balances at June 30, 2020 per
statement of revenues, expenditures and changes in fund balances \$ 10,281,366

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

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

Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances	\$ 3,129,851	
Depreciation expense for the year ended June 30, 2020	(945,274)	
Loss on disposal of assets	<u>(11,034)</u>	2,173,543

Proceeds from bonds are financing sources in the governmental funds
and thus contribute to the change in fund balance. In the statement
of net position, issuing debt increases long-term liabilities and does not
affect the statement of activities. Similarly, bond principal retirement is
recorded as an expenditure in the statement of revenues, expenditures,
and changes in fund balances whereas the payment reduces the balance
of bonds payable in the statement of net position.

Bond proceeds	(12,000,000)	
Principal payments	<u>440,000</u>	(11,560,000)

Because some revenues are not considered measurable at year-end,
they are not considered "available" revenues in the governmental funds.

Non-employer pension contributions		101,091
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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 the governmental funds.

Interest expense	(93,649)	
Compensated absences	(13,547)	
OPEB expense	(144,868)	
Pension expense	<u>(288,042)</u>	<u>(540,106)</u>

Total changes in net position at June 30, 2020 per statement of activities \$ 455,894

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

CITY OF SCOTT, LOUISIANA

Statement of Net Position
 Proprietary Fund
 June 30, 2020

	Enterprise Fund
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 2,034,995
Investments	106,050
Receivables:	
Accounts	266,967
Unbilled utility receivables	132,019
Accrued interest receivable	3,547
Due from other funds	1,955,131
Prepaid items	<u>17,520</u>
Total current assets	<u>4,516,229</u>
Noncurrent assets:	
Restricted assets -	
Interest-bearing deposits	97,783
Investments	168,431
Capital assets -	
Land and construction in progress	2,253,054
Other capital assets, net of accumulated depreciation	<u>12,252,602</u>
Total noncurrent assets	<u>14,771,870</u>
Total assets	<u>19,288,099</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	94,297
Deferred outflows of resources related to net OPEB obligation	<u>51,188</u>
Total deferred outflows of resources	<u>145,485</u>
LIABILITIES	
Current liabilities:	
Accounts payable	209,101
Accrued liabilities	445
Unearned revenue	76,102
Due to other funds	598,718
Payable from restricted assets:	
Customers' deposits payable	192,828
Water revenue bonds payable	34,000
Accrued interest payable	<u>2,854</u>
Total current liabilities	<u>1,114,048</u>
Noncurrent liabilities:	
Compensated absences payable	615
Water revenue bonds payable	664,863
Net OPEB obligation payable	136,399
Net pension liability	<u>308,510</u>
Total noncurrent liabilities	<u>1,110,387</u>
Total liabilities	<u>2,224,435</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	22,295
Deferred inflows of resources related to net OPEB obligation	<u>5,356</u>
Total deferred inflows of resources	<u>27,651</u>
NET POSITION	
Net investment in capital assets	13,840,793
Restricted for debt service	36,532
Unrestricted	<u>3,304,173</u>
Total net position	<u>\$ 17,181,498</u>

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

CITY OF SCOTT, LOUISIANA

Statement of Revenues, Expenses, and Change in Fund Net Position -
 Proprietary Fund
 For the Year Ended June 30, 2020

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Gas charges	\$ 498,227
Water service charges	1,297,146
Sewer service charges	589,045
Garbage service charges	895,056
Penalties, permits and connection fees	<u>120,477</u>
Total operating revenues	<u>3,399,951</u>
Operating expenses:	
Salaries	298,858
Retirement	47,941
OPEB benefit	(2,774)
Disposal charges	3,536
Gas and water purchases	1,064,127
Garbage collection fees	889,647
Supplies and repairs	203,236
Utilities and telephone	55,146
Professional fees	33,186
General insurance	59,176
Group health insurance	64,976
Office expense	21,245
Payroll taxes	22,858
Truck expenses	13,717
Training	2,723
Uniforms	3,269
Bad debts	9,978
Depreciation expense	<u>523,821</u>
Total operating expenses	<u>3,314,666</u>
Operating income	<u>85,285</u>

(continued)

CITY OF SCOTT, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Fund (Continued)
 For the Year Ended June 30, 2020

	<u>Enterprise Fund</u>
Nonoperating revenues (expenses):	
State grant	13,200
Nonemployer pension contribution	9,297
Interest income	37,120
Interest expense	<u>(11,415)</u>
Total nonoperating revenues (expenses)	<u>48,202</u>
Income before transfers	<u>133,487</u>
Transfers:	
Transfers in	1,509,680
Transfers out	<u>(1,654,328)</u>
Total transfers	<u>(144,648)</u>
Change in net position	(11,161)
Net position, beginning	<u>17,192,659</u>
Net position, ending	<u>\$17,181,498</u>

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

CITY OF SCOTT, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended June 30, 2020

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 3,404,951
Payments to suppliers	(2,345,313)
Payments to employees	<u>(423,459)</u>
Net cash provided by operating activities	<u>636,179</u>
Cash flows from noncapital financing activities:	
Cash received from other funds	546,684
State grant	13,200
Net change in meter deposits	16,089
Transfers from other funds	1,509,680
Transfers to other funds	<u>(1,654,328)</u>
Net cash provided by noncapital financing activities	<u>431,325</u>
Cash flows from capital and related financing activities:	
Payment on DHH water loan	(33,000)
Interest on DHH water loan	(17,526)
Acquisition of property, plant and equipment	<u>(1,060,064)</u>
Net cash used by capital and related financing activities	<u>(1,110,590)</u>
Cash flows from investing activities:	
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	2,040,630
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	<u>(2,076,362)</u>
Interest on investments	<u>37,120</u>
Net cash provided by investing activities	<u>1,388</u>
Net decrease in cash and cash equivalents	(41,698)
Cash and cash equivalents, beginning of period	<u>372,595</u>
Cash and cash equivalents, end of period	<u>\$ 330,897</u>

(continued)

CITY OF SCOTT, LOUISIANA

Statement of Cash Flows
 Proprietary Fund (Continued)
 For the Year Ended June 30, 2020

	Enterprise Fund
	<u> </u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 85,285
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	523,821
Pension and OPEB expense	5,626
Provision for uncollectible accounts	9,978
Changes in current assets and liabilities:	
Decrease in accounts receivable	11,704
Increase in unbilled utility receivables	(13,005)
Increase in prepaid items	(3,649)
Increase in accounts payable	13,699
Decrease in accrued liabilities	(932)
Increase in unearned revenue	3,677
Decrease in compensated absences payable	(25)
Net cash provided by operating activities	<u>\$ 636,179</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Interest-bearing deposits - unrestricted	2,062,620
Interest-bearing deposits - restricted	80,462
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(1,770,487)</u>
Total cash and cash equivalents, beginning of period	<u>372,595</u>
Cash and cash equivalents, end of period -	
Interest-bearing deposits - unrestricted	2,034,995
Interest-bearing deposits - restricted	97,783
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(1,801,881)</u>
Total cash and cash equivalents, end of period	<u>330,897</u>
Net decrease in cash and cash equivalents	<u>\$ (41,698)</u>

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Scott (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The City of Scott was incorporated under the provisions of the Lawrason Act. The City operates under the Mayor-Board of Aldermen form of government.

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

Based on the foregoing criteria, a certain governmental organization is not part of the City and is thus excluded from the accompanying financial statements. This organization is the City of Scott Volunteer Fire Department. Although the City does provide facilities and some of its financing, no control is exercised over its operations.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

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

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

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

The major funds of the City are described below:

Governmental Funds -

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds -

1968 Sales Tax Fund -

The 1968 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

1984 Sales Tax Fund -

The 1984 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

Apollo Economic Development District Sales Tax Fund -

The Apollo Economic Development District Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax levied on the businesses located in the Apollo Road Economic Development District and is legally restricted to expenditures for economic development projects in the District.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital Projects Funds --

Street Construction Fund --

The Street Construction Fund is used to account for improvements to the City's infrastructure using proceeds from various grants, bond proceeds and City funds.

LCDBG Fund -

The LCDBG Fund is used to account for the construction of projects provided by the Louisiana Community Development Block Grant and Utility Fund revenues (transfers).

Debt Service Fund --

Sales Tax Bonds Fund --

The Sales Tax Bonds Fund is used to accumulate monies for payment of \$10,000,000 of Sales Tax Bonds, Series 2012, \$10,000,000 of Sales Tax Bonds, Series 2020 and \$2,000,000 of Taxable Sales Tax Bonds, Series 2020A. Debt service is financed from the collection of the City's 1968 and 1984 1% sales taxes and the Apollo Economic Development District sales tax.

Proprietary Fund -

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City of Scott's enterprise fund is the Utility Fund.

C. Measurement Focus/Basis of Accounting

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Measurement Focus

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

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

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

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Cash, interest-bearing deposits, and investments

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City. Under state law, the City may invest in United States bonds, treasury notes, or certificates. Investments are stated at amortized cost.

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

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. 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.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility receivables was \$69,649 at June 30, 2020. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Buildings and improvements	5 - 40 years
Equipment	5 years
Utility system and improvements	20 - 40 years
Infrastructure	20 years

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

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the governmental and proprietary fund that are legally restricted as to their use. The restricted assets are related to bond proceeds for capital expenditures, sales tax bond debt service accounts, and utility meter deposits.

Long-term debt

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

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

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

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. All full-time employees are allowed 48 hours of annual sick leave. All unused sick leave may be carried over; with 30 percent of the accumulated balance payable at termination of employment. At June 30, 2020, the City has \$52,475 of noncurrent accumulated leave benefits required to be reported in accordance with GASB Statement No. 16 "Accounting for Compensated Absences".

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, *deferred outflows of resources* and *deferred inflows of resources* result from the delayed recognition of expenditures or revenues, respectively. At June 30, 2020, the City's deferred inflows and outflows of resources are attributable to its pension plans and other postemployment benefit plan.

Equity Classifications

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

- a. Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Net position is considered restricted if the use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the City's debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – Consists of all other net position that does not meet the definition of the two components and is available for general use by the City.

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental funds are classified as follows.

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the City's Mayor and Board of Aldermen, which is the highest level of decision-making authority for the City.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

- 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 determined by a formal decision of the City's Mayor and Board of Aldermen.
- e. Unassigned – all other spendable amounts.

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

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

In the fund financial statements, expenditures are classified as follows:

- Governmental Funds - By Character
- Proprietary Fund - By Operating and Nonoperating

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

Interfund Transfers

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

F. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 3
Gas, water and sewer revenue	Utility operations

The City uses unrestricted resources only when restricted resources are fully depleted.

G. Capitalization of Interest Expense

It is the policy of the City of Scott to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At June 30, 2020, there was no interest expense paid for assets under construction and, therefore, no capitalized interest expense was recorded on the books.

H. Use of 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 revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended June 30, 2020, taxes were levied by the City in July 2019 and were billed to taxpayers by the Assessor in November 2019. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Lafayette Parish and are collected by the Sheriff. City property tax revenues are budgeted in the year billed.

For the year ended June 30, 2020, taxes of 4.12 mills were levied on property with assessed valuations totaling \$82,939,995 and were dedicated to general corporate purposes. Total taxes levied were \$341,713. Taxes receivable at June 30, 2020 was \$9,526, which was current.

(3) Sales and Use Tax

Proceeds of a 1% sales and use tax levied by the City of Scott beginning June 22, 1968 (2020 collections \$2,623,015) are dedicated to the following purposes:

Construction, acquiring, extending, improving and/or maintaining sewers and sewerage disposal works, waterworks, drainage facilities, streets and sidewalks, including the purchase of equipment therefore, title to which improvements shall be in the public name, or for any one or more of said purposes. The tax is also subject to funding into bonds of the City in the manner authorized in the Louisiana Revised Statutes.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Proceeds of a 1% sales and use tax levied by the City of Scott beginning April 1, 1984 (2020 collections \$2,623,015) are dedicated to the following purposes:

Constructing, acquiring, extending, improving, operating and/or maintaining public streets and bridges, sewers and sewerage disposal works, recreational facilities and drainage facilities; purchasing and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities; providing additional funds to maintain the City's auxiliary police force and volunteer fire department; maintaining the natural gas transmission and distribution system of the City; and funding into bonds for any of these purposes in accordance with the Louisiana Revised Statutes.

Proceeds of a 1% sales and use tax levied by the City of Scott beginning December 1, 2007 on businesses located in the Apollo Road Economic Development District (2020 collections \$907,721) are dedicated for financing economic development projects in the District.

(4) Cash, Interest-Bearing Deposits and Investments

A. Cash and Interest-bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2020, the City had cash and interest-bearing deposits (book balances) totaling \$22,036,265 as follows:

Demand deposits	\$ 1,538,441
Money market accounts	15,781,962
Time deposits	<u>4,715,862</u>
Total	<u>\$22,036,265</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the City or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2020, are secured as follows:

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Bank balances	<u>\$ 22,236,544</u>
Federal deposit insurance	\$ 750,000
Pledged securities	<u>21,486,544</u>
Total	<u>\$ 22,236,544</u>

Deposits in the amount of \$21,486,544 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand. The City does not have a policy for custodial credit risk.

B. Investments

The City participates in the Louisiana Asset Management Pool (LAMP), a local government investment pool. As of June 30, 2020, investments in LAMP amounted to \$2,599,724.

LAMP is administered by LAMP, Inc. a non-profit corporation organized under the laws of the State of Louisiana. Only local governments 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 LSA-R.S. 33:2955.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools.

- a. Credit risk: LAMP is rated AAAM by Standard & Poors.
- b. Custodial credit risk: In accordance with GASB Codification Section 150.128, the investment in LAMP is not exposed to custodial credit risk because LAMP participants' investments in the pool are evidenced by shares of the pool and, therefore, not evidenced by securities that exist in physical or book entry form. The City's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- c. Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- d. Inherent 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 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 60 days as of June 30, 2020.
- e. Foreign currency risk: Not applicable to 2a7-like securities.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. The financial report for LAMP may be accessed on its website (www.lamppool.com).

(5) Receivables

Receivables at June 30, 2020 of \$890,541 consist of the following:

	General	1968 Sales Tax	1984 Sales Tax	Apollo EDD Sales Tax	Utility	Total
Accounts	\$ -	\$ -	\$ -	\$ -	\$ 266,967	\$ 266,967
Unbilled utility	-	-	-	-	132,019	132,019
Taxes:						
Ad valorem	9,526	-	-	-	-	9,526
Sales tax	-	208,343	208,343	61,631	-	478,317
Interest	-	72	72	21	3,547	3,712
Totals	<u>\$ 9,526</u>	<u>\$ 208,415</u>	<u>\$ 208,415</u>	<u>\$ 61,652</u>	<u>\$ 402,533</u>	<u>\$ 890,541</u>

(6) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2020 consisted of the following:

General Fund:

Amount due from the State of Louisiana Department of Transportation for grass cutting grant for the fiscal year ended June 30, 2020. \$ 4,880

1984 Sales Tax Fund:

Amount due from the Scott Volunteer Fire Department for reimbursement of salaries and benefits incurred for fire protection services. 51,945

Apollo Road Economic Development District Sales Tax Fund:

Amount due from Facility Planning and Control for reimbursement of expenditures for Apollo Road Extension water and sewer line installations. 186,103

LCDBG Fund:

Amount due from the Louisiana Division of Administration for reimbursement of expenditures incurred for a sewer project through June 30, 2020. 34,272

Total \$ 277,200

(7) Restricted Assets

Restricted assets in the governmental funds at June 30, 2020 consisted of bond proceeds restricted for capital expenditures in the amount of \$10,677,832 and \$466,595 restricted for debt service payments. Restricted assets in the proprietary fund at June 30, 2020 consisted of water revenue bond debt service, reserve, and depreciation and contingencies funds of \$73,386 and amounts owed to customers for utility deposits in the amount of \$192,828.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance 06/30/19	Additions	Deletions	Balance 06/30/20
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,532,674	\$ -	\$ -	\$ 1,532,674
Construction in progress	7,443,239	2,564,356	5,275	10,002,320
Other capital assets:				
Buildings and improvements	6,757,129	-	8,295	6,748,834
Infrastructure	21,167,494	284,873	1,890	21,450,477
Equipment, furniture and fixtures	3,408,198	285,897	155,142	3,538,953
Totals	<u>40,308,734</u>	<u>3,135,126</u>	<u>170,602</u>	<u>43,273,258</u>
Less accumulated depreciation				
Buildings and improvements	1,959,870	182,291	8,295	2,133,866
Infrastructure	12,523,726	455,066	1,890	12,976,902
Equipment, furniture and fixtures	2,431,032	307,917	144,108	2,594,841
Total accumulated depreciation	<u>16,914,628</u>	<u>945,274</u>	<u>154,293</u>	<u>17,705,609</u>
Governmental activities, capital assets, net	<u>\$ 23,394,106</u>	<u>\$ 2,189,852</u>	<u>\$ 16,309</u>	<u>\$ 25,567,649</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 50,420	\$ -	\$ -	\$ 50,420
Construction in progress - water and sewer systems projects	2,145,809	1,060,064	1,003,239	2,202,634
Other capital assets:				
Gas system	1,070,698	-	-	1,070,698
Water system	8,281,357	-	-	8,281,357
Sewer system	10,549,431	983,639	-	11,533,070
Machinery and equipment	768,152	19,600	46,062	741,690
Totals	<u>22,865,867</u>	<u>2,063,303</u>	<u>1,049,301</u>	<u>23,879,869</u>
Less accumulated depreciation				
Gas system	917,365	19,885	-	937,250
Water system	2,780,096	217,558	-	2,997,654
Sewer system	4,755,787	230,759	-	4,986,546
Machinery and equipment	443,206	55,619	46,062	452,763
Total accumulated depreciation	<u>8,896,454</u>	<u>523,821</u>	<u>46,062</u>	<u>9,374,213</u>
Business-type activities, capital assets, net	<u>\$ 13,969,413</u>	<u>\$ 1,539,482</u>	<u>\$ 1,003,239</u>	<u>\$ 14,505,656</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 67,645
Police	246,715
Fire	627
Streets	556,919
Culture and recreation	<u>33,475</u>
Total depreciation expense	<u>\$905,381</u>

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

Gas	\$ 19,885
Water	217,558
Sewer	<u>286,378</u>
Total depreciation expense	<u>\$523,821</u>

(9) Accounts and Other Payables

The accounts and other payables of \$1,264,617 consisted of the following at June 30, 2020:

	Governmental Activities	Business-type Activities	Total
Accounts	\$ 254,069	\$209,101	\$ 463,170
Contracts	311,464	-	311,464
Retainage	360,459	-	360,459
Accrued liabilities	<u>129,079</u>	<u>445</u>	<u>129,524</u>
Totals	<u>\$1,055,071</u>	<u>\$209,546</u>	<u>\$1,264,617</u>

(10) Unearned Revenue

Unearned revenue at June 30, 2020 consists of the following:

Governmental activities:

General Fund -

Amount received from Entergy, for weatherization of citizens' homes, which has not yet been spent as of June 30, 2020	\$ 2,839
Amount received from unsettled police narcotics cases as of June 30, 2020	<u>46,806</u>
Total General Fund	49,645

1984 Sales Tax Fund -

Insurance proceeds received for the damage to an excavator, which will be recognized when it is sold	<u>7,847</u>
Total governmental activities	57,492

Business-type activities: Utility Fund -

Amount billed in June 2020 for garbage service revenues for July 2020	<u>76,102</u>
Total unearned revenue	<u>\$133,594</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Changes in Long-Term Liabilities

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2020:

	<u>Long-Term Debt</u>		<u>Other Liabilities</u>
	<u>General Obligation Bonds</u>	<u>Water Revenue Bonds</u>	<u>Compensated Absences</u>
Long-term debt as of July 1, 2019	\$ 7,640,000	\$ 731,863	\$ 38,953
Additions	12,000,000	-	16,493
Retirements	(440,000)	(33,000)	(2,971)
Long-term debt as of June 30, 2020	<u>\$19,200,000</u>	<u>\$ 698,863</u>	<u>\$ 52,475</u>

Long-term debt payable at June 30, 2020 is comprised of the following:

Governmental activities:

General obligation bonds -

		<u>Current</u>
\$10,000,000 Public Improvement Sales Tax Bonds, Series 2012, due in annual installments of \$365,000 to \$665,000 through December 1, 2032; interest at 2.5 to 4.0 percent; payable from Apollo Economic Development District sales tax revenues	\$ 7,200,000	\$ 455,000
\$10,000,000 Public Improvement Sales Tax Bonds, Series 2020, due in annual installments of \$375,000 to \$650,000 through December 1, 2032; interest at 2.77 percent; payable from 1968 sales tax revenues	10,000,000	375,000
\$2,000,000 Public Improvement Sales Tax Bonds, Series 2020A, due in annual installments of \$75,000 to \$130,000 through December 1, 2032; interest at 2.5 to 4.0 percent; payable from 1968 sales tax revenues	<u>2,000,000</u>	<u>75,000</u>
	<u>\$19,200,000</u>	<u>\$ 905,000</u>

Business-type activities:

Water revenue bonds -

\$782,863 Taxable Water Revenue Bonds, Series 2016, due in annual installments of \$20,000 to \$49,863 through November 1, 2036; interest at 1.95 percent; payable from water utility revenues	<u>\$ 698,863</u>	<u>\$ 34,000</u>
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CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

The debt is due as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments
2021	\$ 905,000	\$ 573,679	\$ 34,000	\$ 16,706
2022	930,000	557,400	34,000	15,873
2023	960,000	529,824	35,000	15,027
2024	985,000	501,347	36,000	14,157
2025	1,020,000	471,822	37,000	13,263
2026 - 2030	5,585,000	1,858,752	200,000	52,048
2031 - 2035	5,125,000	928,118	225,000	26,014
2036 - 2040	3,690,000	325,382	97,863	2,421
Total	<u>\$ 19,200,000</u>	<u>\$ 5,746,324</u>	<u>\$ 698,863</u>	<u>\$ 155,509</u>

(12) Flow of Funds; Restrictions on Use - Sales Tax and Utility Revenues

Sales Tax Revenues:

Apollo Economic Development District Sales Tax Revenues

Under the terms of the bond indenture on outstanding Public Improvement Sales Tax Bonds, Series 2012, as long as any bonds are outstanding, the City is required to budget annually to maintain sufficient excess annual revenues available for repayment of debt service on bonds. Payment of annual debt service on the bonds shall be a priority and the City must ensure that sufficient excess annual revenues remain available to pay such debt service as and when due. As a result, the City is required to maintain a separate account within the debt service fund that is designated as the "Series 2012 Sinking Fund Account". Each month, there will be set aside into the fund an amount constituting 1/12th of the next maturing installment of principal and 1/6th of the interest due on the next interest payment date. Such transfers shall be fully sufficient to assure the prompt payment of the principal and interest installments as they become due and may be used only for such payments.

Pursuant to the general bond ordinance, the City covenants to fix, establish, maintain and collect revenues so long as any principal and interest is unpaid on the bonds, and to provide excess annual revenues in each fiscal year in an amount equal to at least 130% of the highest annual principal and interest requirements on the bonds issued.

1968 Sales Tax Revenues

Under the terms of the bond indenture on outstanding Public Improvement Sales Tax Bonds, Series 2020 and Series 2020A, the City must ensure that the 1968 Sales Tax Fund has sufficient excess annual revenues available to pay such debt service as and when due. As a result, the City is required to maintain a separate account within the debt service fund that is designated as the "Sales Tax Bond Sinking Fund 2020". Each month, there will be set aside into the fund an amount constituting 1/12th of the next maturing installment of principal and 1/6th of the interest due on the next interest payment date. Such transfers shall be fully sufficient to assure the prompt payment of the principal and interest installments as they become due and may be used only for such payments.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Pursuant to the Bond Ordinance, the City's average annual net revenues of the 1968 sales tax for the two preceding fiscal years must be 1.5 times the highest combined principal and interest requirements for any succeeding fiscal year on all bonds outstanding.

Utility Revenues:

Water Utility Revenues

Under the terms of the general bond ordinance on outstanding Taxable Water Revenue Bonds, Series 2016, as long as any bonds are outstanding, the City is required to budget annually to maintain sufficient excess annual revenues available for repayment of debt service on bonds. Payment of annual debt service on the bonds shall be a priority and the City must ensure that sufficient excess annual revenues remain available to pay such debt service as and when due. As a result, the City is required to maintain a separate account within the Utility Fund that is designated as the "Water Revenue Bond Debt Service Fund". Each month, there will be set aside into the fund an amount constituting 1/12th of the next maturing installment of principal and 1/6th of the interest (and any administrative fee) due on the next interest payment date. Such transfers shall be fully sufficient to assure the prompt payment of the principal and interest installments as they become due and may be used only for such payments. The City is also required to maintain a "Water Revenue Bond Debt Service Reserve Fund" and a "Depreciation and Contingencies Fund" for additional transfers to be made solely for the purpose of paying the principal, interest, and administrative fees on the outstanding bonds payable and to fund extensions, additions, improvements, renewals and replacements necessary to operate the system. The deposits into the Contingencies Fund may cease once the sum of \$50,000 has been accumulated.

Pursuant to the general bond ordinance, the City covenants to fix, establish, maintain and collect revenues so long as any principal and interest is unpaid on the bonds, and to provide excess annual revenues in each fiscal year in an amount equal to at least 1.20 times the highest combined annual principal and interest requirements on the bonds issued.

The City of Scott was in compliance with all significant limitations and restrictions in the various bond indentures and ordinances as of June 30, 2020.

(13) Post Retirement Health Care and Life Insurance Benefits

Plan description – The City of Scott (the City) provides certain continuing health care and life insurance benefits for its retired employees. The City'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) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. The employees are covered by several retirement systems with similar eligibility provisions. Based on historical experience as described by administrative staff, most employees enter a three year D.R.O.P. at age 60.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Employees covered by benefit terms – At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	11
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>49</u>
Total	<u>60</u>

Total OPEB Liability

The City's total OPEB liability of \$1,318,528 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%	
Salary increases	4.0%, including inflation	
Discount rate	2.21%, net of OPEB plan investment expense, including inflation	
Healthcare cost trend rates	Flat 5.5% annually	

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2020, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2020.

Changes in the Total OPEB Liability

OPEB liability at June 30, 2019	\$1,030,539
Changes for the year:	
Service Cost	116,711
Interest	35,276
Differences between expected and actual experience	(60,402)
Changes of assumptions	241,715
Benefit payments and net transfers	<u>(45,311)</u>
Net changes	<u>287,989</u>
OPEB liability at June 30, 2020	<u>\$1,318,528</u>
Covered employee payroll	<u>\$2,373,157</u>
Net OPEB liability has a percentage of covered employee payroll	55.6%

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	<u>\$ 1,568,087</u>	<u>\$ 1,318,528</u>	<u>\$ 1,123,780</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1% Decrease (4.5%)	Current Trend (5.5%)	1% Increase (6.5%)
Total OPEB liability	<u>\$ 1,214,768</u>	<u>\$ 1,318,528</u>	<u>\$ 1,448,200</u>

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$142,094. At June 30, 2020, 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	<u>\$ 494,820</u>	<u>\$ (51,773)</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 Ended <u>June 30</u>	
2021	\$ 41,950
2022	41,950
2023	41,950
2024	41,950
2025	41,950
Thereafter	<u>233,297</u>
Total	<u>\$ 443,047</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(14) Pension Plans

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

Plan Descriptions:

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

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

The systems' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned.

A brief summary of eligibility and benefits of the plans are provided in the following table:

	<u>MERS</u>	<u>MPERS</u>
Final average salary	Final average compensation	Highest 36 months or 60 months ²
Years of service required and/or age eligible for benefits	25 years of any age 10 years age 60 20 years any age ¹	25 years of any age 20 years age 55 12 years age 55 20 years any age ¹ 30 years any age ³ 25 years age 55 ³ 10 years age 60 ³
Benefit percent per years of service	3.00%	2.50 - 3.33% ⁴

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

³ Under non hazardous duty sub plan commencing January 1, 2013

⁴ Membership commencing January 1, 2013 non hazardous duty plan 2.5%, hazardous duty plan 3.0%, membership prior to January 1, 2013 3.33%.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee.

Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2020 for the defined benefit pension plans in which the City is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Nonemployer Contributing Entities</u>	<u>Government Contributions</u>
MERS	5.00%	14.00%	\$ 30,993	\$ 131,886
MPERS	10.00%	32.50%	79,396	433,178

Net Pension Liability

The City's net pension liability at June 30, 2020 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2019 for both plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability for each of the plans in which it participates was based on the City's required contributions in proportion to total required contributions for all employers. As of the most recent measurement date, the City's proportion for each plan and the change in proportion from the prior measurement date were as follows:

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
MERS	\$1,028,368	1.755280%	0.522857%
MPERS	3,502,411	0.385657%	-0.007556%
Total	\$4,530,779		

Since the measurement date of the net pension liability was June 30, 2019, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Actuarial Assumptions

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

	MERS	MPERS
Date of experience study on which significant assumptions are based	7/1/2013 - 6/30/2018	7/1/2009 - 6/30/2014
Actuarial cost method	Entry Age Normal	Entry Age Normal
Investment rate of return	7.0%, net of investment expense	7.125%, net of investment expense
Expected remaining service lives	3	4
Inflation rate	2.5%	2.5%
Projected salary increases	4.9% - 7.4%	4.25% - 9.75%
Projected benefit changes including COLAs	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5), (6)

- (1) PUBG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 Scales
- (2) PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusting using their respective male and female MP2018 scales.
- (3) PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale
- (4) RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries.

Cost of Living Adjustments

The pension plans in which the City participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis.

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net positions 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. The discount rate used to measure the total pension liability for MERS was 7.0%, a decrease of 0.275% from the prior valuation. The discount rate used to measure the total pension liability for MPERS was 7.125%, a decrease of .075% from the prior valuation.

Long-term Rate of Return

For MERS and MPERS, the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

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

Asset Class	MERS		MPERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	35%	1.51%	33.5%	0.80%
Public Equity	50%	2.15%	48.5%	3.28%
Alternative Investments	15%	0.64%	18.0%	1.06%
Totals	<u>100%</u>	4.30%	<u>100%</u>	5.14%
Inflation		<u>2.70%</u>		<u>2.75%</u>
Expected nominal return		<u>7.00%</u>		<u>7.89%</u>

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2020, the City recognized \$209,212 and \$652,289 in pension expense related to the MERS and MPERS defined benefit plans, respectively.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

At June 30, 2020, 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	Total
Difference between expected and actual experience	\$ -	\$ 7,349	\$ 7,349
Changes of assumptions	62,689	196,269	258,958
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	11,519	304,390	315,909
Net differences between projected and actual earnings on plan investments	108,312	227,546	335,858
Contributions subsequent to the measurement date	<u>131,886</u>	<u>433,178</u>	<u>565,064</u>
Total	<u>\$ 314,406</u>	<u>\$ 1,168,732</u>	<u>\$ 1,483,138</u>

	Deferred Inflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$45,612	\$ 107,753	\$ 153,365
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	28,706	44,714	73,420
Total	<u>\$74,318</u>	<u>\$ 152,467</u>	<u>\$ 226,785</u>

Deferred outflows of resources of \$565,064 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended	MERS	MPERS	Total
<u>June 30</u>			
2021	\$ 63,389	\$ 337,361	\$ 400,750
2022	20,981	118,402	139,383
2023	14,422	70,516	84,938
2024	9,410	56,808	66,218
Total	<u>\$ 108,202</u>	<u>\$ 583,087</u>	<u>\$ 691,289</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	7.000%	\$ 1,370,549	\$ 1,028,368	\$ 738,974
MPERS	7.125%	4,880,013	3,502,411	2,346,741
Total		<u>\$ 6,250,562</u>	<u>\$ 4,530,779</u>	<u>\$ 3,085,715</u>

Payables to the Pension Plans

At June 30, 2020, the City's payables MERS and MPERS were \$20,497 and \$67,653, respectively, which were the contractually required contributions payable for the month of June 2020.

(15) Social Security System

Employees of the City of Scott who are not eligible to participate in any other retirement system are members of the Social Security System. The City and its employees contribute a percentage of each employee's salary to the System (7.65 percent contributed by the City; 7.65 percent contributed by the employee). The City's contributions during the years ending June 30, 2020 and 2019 amounted to \$224,891 and \$210,168, respectively.

(16) On-Behalf Payment of Salaries

The State of Louisiana paid the City's policemen and firemen \$161,651 of supplemental pay during the year ended June 30, 2020. Such payments are recorded as intergovernmental revenues and public safety and general government expenditures in the government-wide and General Fund financial statements.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(17) Utility Fund Contracts

- A. The City, under contract dated October 1, 1991, is required to purchase its natural gas from Louisiana Municipal Natural Gas Purchasing and Distribution Authority. Termination of the contract requires a six-month notice. The City purchased natural gas during the year ended June 30, 2020 in the amount of \$118,623, of which \$3,358 was owed for purchases for the month of June 2020.
- B. The City, under a contract dated June 1, 1997, and expiring May 31, 2022, is required to purchase its water from the City of Lafayette. The City purchased water during the fiscal year ended June 30, 2020 in the amount of \$945,504, of which \$71,859 was owed for purchases for the month of June 2020.

(18) Departmental Information for the Enterprise Fund

The City of Scott maintains one enterprise fund with three departments which provide gas, water, and sewerage services. Departmental information for the year ended June 30, 2020 is as follows:

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Garbage Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	\$ 514,907	\$ 1,370,494	\$ 609,494	\$ 905,056	\$3,399,951
Operating expenses:					
Depreciation	19,885	217,558	286,378	-	523,821
Other	387,988	1,253,684	259,526	889,647	2,790,845
Total operating expenses	407,873	1,471,242	545,904	889,647	3,314,666
Operating income (loss)	\$ 107,034	\$ (100,748)	\$ 63,590	\$ 15,409	\$ 85,285

(19) Compensation of City Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2020 follows:

Jan-Scott Richard, Mayor	\$ 81,759
Aldermen:	
Troy Bergeron	16,800
Doyle Boudreaux	12,000
Danny Hollier	12,000
Terry Montoucet	12,000
Kenneth Suire	12,000
Total	<u>\$ 146,559</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(20) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to Jan-Scott Richard, Mayor, for the year ended June 30, 2020 follows:

Salary	\$ 81,759
Benefits - insurance	7,529
Benefits - retirement	10,752
Car allowance	7,200
Auto expense	2,370
Conference travel	1,760
Special meals	892
Total	<u>\$ 112,262</u>

(21) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2020:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major funds:		
Governmental funds -		
General Fund	\$ 808,164	\$ 636,766
1968 Sales Tax Special Revenue Fund	-	1,486,159
1984 Sales Tax Special Revenue Fund	698,472	2,277,221
Apollo EDD Sales Tax Special Revenue Fund	2,249,497	375,309
Street Construction Fund	1,227,901	1,098,572
LCDBG Fund	-	553,492
Sales Tax Bonds Fund	290,784	203,712
Proprietary Fund -		
Enterprise Fund	<u>1,955,131</u>	<u>598,718</u>
Total	<u>\$7,229,949</u>	<u>\$7,229,949</u>

These balances resulted from short-term loans made to other funds. All interfund balances will be repaid within one year.

CITY OF SCOTT, LOUISIANA
Notes to Basic Financial Statements (Continued)

B. Transfers

Interfund transfers consisted of the following at June 30, 2020:

	Transfers In	Transfers Out
Major funds:		
Governmental funds -		
General Fund	\$ 3,210,000	\$ -
1968 Sales Tax Special Revenue Fund	-	876,421
1984 Sales Tax Special Revenue Fund	-	1,709,662
Apollo EDD Sales Tax Special Revenue Fund	-	784,039
Street Construction Fund	72,500	10,722
LCDBG Fund	7,458	725,600
Sales Tax Bonds Fund	961,134	-
Proprietary Fund -		
Enterprise Fund	1,509,680	1,654,328
Total	\$ 5,760,772	\$ 5,760,772

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(22) Litigation and Claims

At June 30, 2020, the City is involved in several lawsuits claiming damages. In the opinion of the City's legal counsel, the only exposure to the City would be any costs in defense of the lawsuits with no liability to the City in excess of insurance coverage.

(23) Risk Management

The City is exposed to risks of loss in the areas of general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

Prior to March 1, 2019, the risk of loss for group health insurance was handled by purchasing commercial insurance coverage. Effective March 1, 2019, the City established a limited risk management program for group hospitalization, which is administered by a third-party administrator. The City deposits monthly insurance premiums into the City of Scott Employee Benefit Plan Trust. If at any time the Trust does not have sufficient funds to pay claims, the City's excess loss policy funds the difference. Due to immateriality, the balance in the trust fund was not recorded at June 30, 2020.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(24) Tax Abatement

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millage in force at that time. The future value to this exempt property could be subject to significant fluctuations from today's value; however, the City could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. Because these taxes are not assessed, no adjustments have been made to the City's financial statements to record the exempt amounts. The City's ad valorem taxes for the year ended June 30, 2020 were reduced by \$3,480.

(25) Uncertainties Arising During and After Financial Statement Date

As a result of the spread of the COVID 19 coronavirus, economic uncertainties have arisen which may have and may continue to impact the City's ongoing operations. The extent and severity of the potential impact on future operations is unknown at this time.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes	\$ 785,700	\$ 865,600	\$ 881,225	\$ 15,625
Licenses and permits	339,050	335,689	338,484	2,795
Intergovernmental	480,310	494,869	495,550	681
Fines and forfeits	381,734	301,115	298,807	(2,308)
Miscellaneous	55,350	58,149	92,222	34,073
Total revenues	<u>2,042,144</u>	<u>2,055,422</u>	<u>2,106,288</u>	<u>50,866</u>
Expenditures:				
General government:	1,013,639	1,111,038	1,130,777	(19,739)
Public safety:				
Police	3,081,114	3,014,469	2,995,880	18,589
Streets	799,456	798,903	797,336	1,567
Culture and tourism	70,010	54,949	57,046	(2,097)
Capital outlay	134,084	272,943	273,540	(597)
Total expenditures	<u>5,098,303</u>	<u>5,252,302</u>	<u>5,254,579</u>	<u>(2,277)</u>
Deficiency of revenues over expenditures	(3,056,159)	(3,196,880)	(3,148,291)	48,589
Other financing sources:				
Transfers in	<u>3,080,000</u>	<u>3,210,000</u>	<u>3,210,000</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	23,841	13,120	61,709	48,589
Fund balance, beginning	<u>1,328,915</u>	<u>1,328,915</u>	<u>1,328,915</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,352,756</u>	<u>\$ 1,342,035</u>	<u>\$ 1,390,624</u>	<u>\$ 48,589</u>

CITY OF SCOTT, LOUISIANA
1968 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,800,000	\$ 2,690,617	\$ 2,623,015	\$ (67,602)
Intergovernmental	-	15,945	14,145	(1,800)
Miscellaneous - interest	39,000	65,876	68,638	2,762
Total revenues	<u>2,839,000</u>	<u>2,772,438</u>	<u>2,705,798</u>	<u>(66,640)</u>
Expenditures:				
General government	52,000	49,603	48,257	1,346
Streets	287,730	417,253	423,993	(6,740)
Capital outlay	643,959	574,254	583,785	(9,531)
Total expenditures	<u>983,689</u>	<u>1,041,110</u>	<u>1,056,035</u>	<u>(14,925)</u>
Excess of revenues over expenditures	1,855,311	1,731,328	1,649,763	(81,565)
Other financing uses:				
Transfers out	<u>(1,390,000)</u>	<u>(876,421)</u>	<u>(876,421)</u>	-
Excess of revenues over expenditures and other uses	465,311	854,907	773,342	(81,565)
Fund balances, beginning	<u>2,534,539</u>	<u>2,534,539</u>	<u>2,534,539</u>	-
Fund balances, ending	<u>\$ 2,999,850</u>	<u>\$ 3,389,446</u>	<u>\$ 3,307,881</u>	<u>\$ (81,565)</u>

CITY OF SCOTT, LOUISIANA
1984 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$2,800,000	\$2,690,617	\$2,623,015	\$ (67,602)
Intergovernmental -				
Local grant	-	-	51,945	51,945
Miscellaneous -				
Equipment refund	-	-	3,462	3,462
Interest	44,000	25,531	49,468	23,937
Total revenues	<u>2,844,000</u>	<u>2,716,148</u>	<u>2,727,890</u>	<u>11,742</u>
Expenditures:				
General government	42,000	49,408	47,297	2,111
Public safety:				
Fire	571,334	664,187	681,332	(17,145)
Streets	149,000	140,012	129,837	10,175
Capital outlay	54,500	54,500	54,742	(242)
Total expenditures	<u>816,834</u>	<u>908,107</u>	<u>913,208</u>	<u>(5,101)</u>
Excess of revenues over expenditures	2,027,166	1,808,041	1,814,682	6,641
Other financing uses:				
Transfers to other funds	<u>(1,880,712)</u>	<u>(1,709,662)</u>	<u>(1,709,662)</u>	-
Excess of revenues over expenditures and other uses	146,454	98,379	105,020	6,641
Fund balances, beginning	<u>1,833,533</u>	<u>1,833,533</u>	<u>1,833,533</u>	-
Fund balances, ending	<u>\$1,979,987</u>	<u>\$1,931,912</u>	<u>\$1,938,553</u>	<u>\$ 6,641</u>

CITY OF SCOTT, LOUISIANA
Apollo Economic Development District Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,069,110	\$ 922,755	\$ 907,721	\$ (15,034)
Intergovernmental revenue -				
Federal grant	4,003,133	-	-	-
State grant	353,964	-	-	-
Miscellaneous - interest	31,000	17,496	17,736	240
Total revenues	<u>5,457,207</u>	<u>940,251</u>	<u>925,457</u>	<u>(14,794)</u>
Expenditures:				
General government -				
Collection fees	7,500	7,022	7,045	(23)
Capital outlay	5,907,437	633,733	629,090	4,643
Total expenditures	<u>5,914,937</u>	<u>640,755</u>	<u>636,135</u>	<u>4,620</u>
Excess of revenues over expenditures	<u>(457,730)</u>	<u>299,496</u>	<u>289,322</u>	<u>(10,174)</u>
Other financing sources (uses):				
Transfers in	195,488	-	-	-
Transfers out	(795,712)	(784,039)	(784,039)	-
Total other financing sources (uses)	<u>(600,224)</u>	<u>(784,039)</u>	<u>(784,039)</u>	<u>-</u>
Deficiency of revenues and other financing sources over expenditures and other uses	(1,057,954)	(484,543)	(494,717)	(10,174)
Fund balances, beginning	<u>3,712,555</u>	<u>3,712,555</u>	<u>3,712,555</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,654,601</u>	<u>\$ 3,228,012</u>	<u>\$ 3,217,838</u>	<u>\$ (10,174)</u>

CITY OF SCOTT, LOUISIANA

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:			
Service Cost	\$ 116,711	\$ 13,592	\$ 12,839
Interest	35,276	27,033	26,488
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(60,402)	261,792	7,348
Changes of assumptions	241,715	51,000	-
Benefit payments	<u>(45,311)</u>	<u>(42,949)</u>	<u>(21,956)</u>
Net changes	287,989	310,468	24,719
Total OPEB liability - beginning	<u>1,030,539</u>	<u>720,071</u>	<u>695,352</u>
Total OPEB liability - ending	1,318,528	1,030,539	720,071
Plan Fiduciary Net Position	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB liability	<u>\$1,318,528</u>	<u>\$1,030,539</u>	<u>\$ 720,071</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%
Covered employee payroll	<u>2,373,157</u>	<u>2,281,881</u>	<u>2,432,936</u>
Net OPEB liability as a percentage of covered-employee payroll	55.6%	45.2%	29.6%

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

CITY OF SCOTT, LOUISIANA

Schedule of Employer OPEB Contributions
For the Year Ended June 30, 2020

<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2020	\$ 172,743	\$ 45,311	\$ 127,432	\$ 2,373,157	1.91%
2019	54,579	42,949	11,630	2,281,881	1.88%
2018	29,361	21,956	7,405	2,432,936	0.90%

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

CITY OF SCOTT, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2020*

<u>Plan</u>	<u>Year Ended June 30,</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
MERS	2020	1.755280%	\$ 1,028,368	\$ 898,647	114.4%	66.14%
	2019	1.232423%	1,042,423	891,955	116.9%	65.60%
	2018	1.179990%	1,020,966	869,409	117.4%	63.49%
	2017	1.191381%	987,546	909,888	108.5%	63.34%
	2016	1.260809%	856,905	874,830	98.0%	68.71%
	2015	1.190261%	558,823	805,041	69.4%	76.94%
MPERS	2020	0.385657%	\$ 3,502,411	1,210,075	289.4%	71.01%
	2019	0.393213%	3,324,247	1,160,042	286.6%	71.89%
	2018	0.319637%	2,790,566	944,827	295.4%	70.08%
	2017	0.309268%	2,898,712	864,272	335.4%	66.04%
	2016	0.363479%	2,847,478	916,405	310.7%	70.73%
	2015	0.312685%	1,956,183	797,969	245.1%	75.10%

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

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

CITY OF SCOTT, LOUISIANA

Schedule of Employer Contributions
For the Year Ended June 30, 2020

<u>Plan</u>	<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
MERS	2020	\$ 131,886	\$ 131,886	-	\$ 942,043	14.00%
	2019	125,811	125,811	-	898,647	14.00%
	2018	118,184	118,184	-	891,955	13.25%
	2017	95,635	95,635	-	869,409	11.00%
	2016	87,512	87,512	-	909,888	9.62%
	2015	83,109	83,109	-	874,830	9.50%
MPERS	2020	\$ 433,178	\$ 433,178	-	\$ 1,332,840	32.50%
	2019	390,249	390,249	-	1,210,075	32.25%
	2018	356,713	356,713	-	1,160,042	30.75%
	2017	300,681	300,681	-	944,827	31.82%
	2016	255,601	255,601	-	864,272	29.57%
	2015	289,676	289,676	-	916,405	31.61%

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

CITY OF SCOTT, LOUISIANA

Notes to the Required Supplementary Information

(1) Budget and Budgetary Accounting

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

- a) Prior to June 15, the City Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1.
- b) A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d) After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
- e) Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
- f) All budgetary appropriations lapse at the end of each fiscal year.
- g) Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

(2) Pension Plans

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

(3) Other Postemployment Benefits

- a) Benefit changes – There were no changes in benefit terms.
- b) Changes of assumptions:

Change in the discount rate – The discount rate at June 30, 2020 is 2.21%, a decrease of 1.29% from the prior year rate of 3.5%.

OTHER SUPPLEMENTARY INFORMATION

CITY OF SCOTT, LOUISIANA

Statement of Net Position

June 30, 2020

With Comparative Totals as of June 30, 2019

	2020			2019 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 8,759,060	\$ 2,034,995	\$10,794,055	\$ 10,782,886
Investments	2,325,243	106,050	2,431,293	2,388,974
Receivables, net	488,008	402,533	890,541	957,063
Internal balances	(1,356,413)	1,356,413	-	-
Due from other governmental units	277,200	-	277,200	190,833
Prepaid items	85,851	17,520	103,371	73,228
Total current assets	<u>10,578,949</u>	<u>3,917,511</u>	<u>14,496,460</u>	<u>14,392,984</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	11,144,427	97,783	11,242,210	2,177,344
Investments	-	168,431	168,431	169,663
Capital assets:				
Land and construction in progress	11,534,994	2,253,054	13,788,048	11,172,143
Other capital assets	14,032,655	12,252,602	26,285,257	26,191,376
Total noncurrent assets	<u>36,712,076</u>	<u>14,771,870</u>	<u>51,483,946</u>	<u>39,710,526</u>
Total assets	<u>47,291,025</u>	<u>18,689,381</u>	<u>65,980,406</u>	<u>54,103,510</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	1,388,836	94,297	1,483,133	1,608,650
Deferred outflows of resources related to net OPEB obligation	443,632	51,188	494,820	297,152
Total deferred outflows of resources	<u>1,832,468</u>	<u>145,485</u>	<u>1,977,953</u>	<u>1,905,802</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	1,055,071	209,546	1,264,617	1,804,966
Unearned revenue	57,492	76,102	133,594	133,379
Customers deposits payable	-	192,828	192,828	176,739
Bonds payable	905,000	34,000	939,000	473,000
Accrued interest payable	115,172	2,854	118,026	30,488
Total current liabilities	<u>2,132,735</u>	<u>515,330</u>	<u>2,648,065</u>	<u>2,618,572</u>
Noncurrent liabilities:				
Compensated absences payable	51,860	615	52,475	38,953
Bonds payable	18,295,000	664,863	18,959,863	7,898,863
Net OPEB obligation payable	1,182,129	136,399	1,318,528	1,030,539
Net pension payable	4,222,269	308,510	4,530,779	4,366,670
Total noncurrent liabilities	<u>23,751,258</u>	<u>1,110,387</u>	<u>24,861,645</u>	<u>13,335,025</u>
Total liabilities	<u>25,883,993</u>	<u>1,625,717</u>	<u>27,509,710</u>	<u>15,953,597</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	204,490	22,295	226,785	330,357
Deferred inflows of resources related to net OPEB obligation	46,417	5,356	51,773	-
Total deferred inflows of resources	<u>250,907</u>	<u>27,651</u>	<u>278,558</u>	<u>330,357</u>
NET POSITION				
Net investment in capital assets	16,569,899	13,840,793	30,410,692	29,218,145
Restricted for sales tax dedications	8,464,272	-	8,464,272	8,080,627
Restricted for capital expenditures	-	-	-	638,270
Restricted for debt service	438,495	36,532	475,027	291,533
Unrestricted (deficit)	(2,484,073)	3,304,173	820,100	1,496,783
Total net position	<u>\$ 22,988,593</u>	<u>\$ 17,181,498</u>	<u>\$40,170,091</u>	<u>\$ 39,725,358</u>

CITY OF SCOTT, LOUISIANA

Balance Sheets
General and Special Revenue Funds
June 30, 2020

With Comparative Totals as of June 30, 2019

	General		1968 Sales Tax Special Revenue		1984 Sales Tax Special Revenue		Apollo Economic Development District Sales Tax Special Revenue	
	2020	2019	2020	2019	2020	2019	2020	2019
	ASSETS							
Cash	\$ 320,987	\$ 153,208	\$ 37,985	\$ 38,815	\$ 323,744	\$ 412,642	\$ -	\$ -
Interest-bearing deposits	556,925	534,906	2,967,065	2,247,914	2,843,461	3,000,771	1,154,599	1,794,186
Investments	531,116	522,722	1,675,639	1,649,156	118,488	116,616	-	-
Receivables:								
Taxes	9,526	5,274	208,343	229,784	208,343	229,784	61,631	78,387
Accrued interest	-	-	72	414	72	414	21	139
Due from other funds	808,164	830,593	-	-	698,472	58,978	2,249,497	1,759,896
Due from other governmental units	4,880	4,730	-	-	51,945	-	186,103	186,103
Other	-	1,657	-	-	-	-	-	-
Prepaid items	85,851	59,357	-	-	-	-	-	-
Total assets	<u>\$ 2,317,449</u>	<u>\$ 2,112,447</u>	<u>\$ 4,889,104</u>	<u>\$ 4,166,083</u>	<u>\$ 4,244,525</u>	<u>\$ 3,819,205</u>	<u>\$3,651,851</u>	<u>\$ 3,818,711</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 115,135	\$ 83,055	\$ 77,703	\$ 34,996	\$ 19,138	\$ 12,403	\$ 35,193	\$ 16,024
Contracts payable	-	-	15,785	510	-	-	23,053	4,328
Accrued liabilities	125,279	27,266	1,576	1,672	1,766	1,860	458	548
Due to other funds	636,766	623,566	1,486,159	1,594,366	2,277,221	1,960,100	375,309	85,256
Unearned revenue	49,645	49,645	-	-	7,847	11,309	-	-
Total liabilities	<u>926,825</u>	<u>783,532</u>	<u>1,581,223</u>	<u>1,631,544</u>	<u>2,305,972</u>	<u>1,985,672</u>	<u>434,013</u>	<u>106,156</u>
Fund balances -								
Nonspendable (prepaid items)	85,851	59,357	-	-	-	-	-	-
Restricted - sales tax dedications	-	-	3,307,881	2,534,539	1,938,553	1,833,533	3,217,838	3,712,555
Unassigned	1,304,773	1,269,558	-	-	-	-	-	-
Total fund balances	<u>1,390,624</u>	<u>1,328,915</u>	<u>3,307,881</u>	<u>2,534,539</u>	<u>1,938,553</u>	<u>1,833,533</u>	<u>3,217,838</u>	<u>3,712,555</u>
Total liabilities and fund balances	<u>\$ 2,317,449</u>	<u>\$ 2,112,447</u>	<u>\$ 4,889,104</u>	<u>\$ 4,166,083</u>	<u>\$ 4,244,525</u>	<u>\$ 3,819,205</u>	<u>\$3,651,851</u>	<u>\$ 3,818,711</u>

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Actual	Variance with Final Budget Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
Taxes:					
Ad valorem	\$ 251,000	\$ 323,084	\$ 341,713	\$ 18,629	\$ 253,577
Franchise -					
Electric	450,000	455,196	452,132	(3,064)	439,638
Natural gas	24,000	26,316	26,315	(1)	24,007
Cable TV	60,700	61,004	61,065	61	60,300
Total taxes	<u>785,700</u>	<u>865,600</u>	<u>881,225</u>	<u>15,625</u>	<u>777,522</u>
Licenses and permits:					
Liquor and beer licenses	9,300	7,710	7,110	(600)	10,180
Occupational licenses	26,100	23,620	24,120	500	27,170
Insurance occupational licenses	187,000	187,000	179,949	(7,051)	206,823
Building permits	100,000	100,903	104,580	3,677	81,008
Electrical permits	10,000	9,381	11,985	2,604	12,873
Other permits	6,650	7,075	10,740	3,665	7,800
Total licenses and permits	<u>339,050</u>	<u>335,689</u>	<u>338,484</u>	<u>2,795</u>	<u>345,854</u>
Intergovernmental:					
Federal -					
Department of Homeland Security	-	45,402	48,081	2,679	-
State of Louisiana -					
LGAP	-	6,600	-	(6,600)	-
Department of Revenue and Taxation:					
Beer taxes	14,500	16,217	16,217	-	7,652
Department of Transportation:					
Grass cutting	9,460	9,460	4,730	(4,730)	14,190
Department of Public Safety					
Municipal fire and police supplemental pay	180,000	162,112	161,651	(461)	152,610
Local -					
Tourism grants	14,100	12,000	21,792	9,792	14,625
Lafayette Parish School Board	262,250	243,078	243,079	1	238,313
Lafayette Consolidated Government	-	-	-	-	17,432
Total intergovernmental	<u>480,310</u>	<u>494,869</u>	<u>495,550</u>	<u>681</u>	<u>444,822</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Revenues (Continued)
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Fines and forfeits:					
Fines and court costs - regular	167,007	128,286	121,411	(6,875)	151,391
Fines and court costs - LACE	214,727	172,764	177,266	4,502	238,418
Clerk of Court	-	65	130	65	65
Total fines and forfeits	<u>381,734</u>	<u>301,115</u>	<u>298,807</u>	<u>(2,308)</u>	<u>389,874</u>
Miscellaneous:					
Interest	17,000	17,793	17,302	(491)	19,291
Sale of assets	-	-	-	-	15,950
Sale of assets - police assets	-	-	-	-	3,000
Begnaud House inventory sales	2,500	4,367	4,498	131	2,816
Begnaud House event admission	200	456	456	-	300
Event Center revenues	35,000	33,425	31,325	(2,100)	45,900
Other sources	650	2,108	38,641	36,533	12,996
Total miscellaneous	<u>55,350</u>	<u>58,149</u>	<u>92,222</u>	<u>34,073</u>	<u>100,253</u>
Total revenues	<u>\$2,042,144</u>	<u>\$2,055,422</u>	<u>\$2,106,288</u>	<u>\$ 50,866</u>	<u>\$2,058,325</u>

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
General government:					
Administration:					
Mayor and council salaries	\$ 143,738	\$ 146,558	\$ 146,559	\$ (1)	\$ 140,138
Other salaries	129,721	148,351	149,251	(900)	116,705
Payroll taxes	20,996	19,651	22,624	(2,973)	19,917
Retirement	28,365	25,987	29,068	(3,081)	25,714
Telephone and utilities	34,000	28,355	31,707	(3,352)	31,894
Advertising and publications	26,500	27,941	28,323	(382)	33,806
Repairs and maintenance	42,280	42,201	39,399	2,802	52,814
Dues and conventions	10,000	6,883	6,852	31	9,362
Legal fees	103,500	162,871	173,034	(10,163)	131,980
Government relations and consulting	50,000	50,000	50,000	-	50,000
Accounting and auditing	35,000	51,018	38,320	12,698	31,860
Computer service	13,869	18,354	19,721	(1,367)	4,669
General insurance	70,231	56,547	37,944	18,603	77,361
Group insurance	31,848	30,670	39,193	(8,523)	35,003
Office expenditures	38,300	41,740	45,762	(4,022)	43,466
Uniforms	3,000	3,035	3,035	-	3,327
Scott business appreciation	4,000	3,198	3,198	-	3,882
Council on Aging	6,000	6,000	-	6,000	6,000
Cultural activities	6,300	5,494	15,361	(9,867)	6,837
Collection fees	8,900	8,900	9,106	(206)	9,052
Election fees	-	-	-	-	27,447
Miscellaneous	1,483	1,652	1,498	154	2,678
	<u>808,031</u>	<u>885,406</u>	<u>889,955</u>	<u>(4,549)</u>	<u>863,912</u>
Code Department:					
Salaries	91,569	105,632	105,633	(1)	97,803
Payroll taxes and retirement	19,615	20,908	20,748	160	19,589
Group insurance	13,924	13,096	14,458	(1,362)	14,885
Building permits	80,000	85,209	99,196	(13,987)	80,411
Training	500	787	787	-	1,037
	<u>205,608</u>	<u>225,632</u>	<u>240,822</u>	<u>(15,190)</u>	<u>213,725</u>
Total general government	<u>1,013,639</u>	<u>1,111,038</u>	<u>1,130,777</u>	<u>(19,739)</u>	<u>1,077,637</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Actual	Variance with Final Budget Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
Public safety:					
Police -					
Salaries	1,673,654	1,673,252	1,633,599	39,653	1,471,442
Salaries - Chief	82,860	85,917	85,917	-	82,860
Payroll taxes	135,615	128,766	131,980	(3,214)	118,547
Retirement	443,185	454,513	433,173	21,340	390,531
Vehicle allowance	7,200	7,200	7,200	-	7,200
Auto fuel and oil	95,000	83,200	70,161	13,039	74,459
Uniforms and supplies	38,600	36,800	38,434	(1,634)	48,187
Training, lodging and travel	16,000	5,800	9,703	(3,903)	10,974
Dues and subscriptions	10,000	12,000	10,543	1,457	8,633
General insurance	161,990	158,766	164,104	(5,338)	173,912
Group insurance	222,785	163,130	210,780	(47,650)	207,865
Advertising	3,000	3,000	3,452	(452)	2,082
Miscellaneous-	5,500	5,699	2,404	3,295	194
Auto repairs and maintenance	60,000	59,000	61,138	(2,138)	55,154
Firearms and ammunition	9,000	9,000	9,010	(10)	8,803
Telephone and utilities	39,050	46,350	44,644	1,706	29,711
Computer services	20,000	23,500	21,365	2,135	16,404
Office repairs and maintenance	39,500	40,401	41,168	(767)	41,117
Office supplies	14,000	14,000	14,373	(373)	12,141
Civil service -					
Contract services	2,175	2,175	1,936	239	2,112
Office supplies/miscellaneous	2,000	2,000	796	1,204	1,909
Total public safety	<u>3,081,114</u>	<u>3,014,469</u>	<u>2,995,880</u>	<u>18,589</u>	<u>2,764,237</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Streets:					
Salaries	393,027	400,527	401,137	(610)	391,505
Retirement	55,024	50,203	50,222	(19)	47,245
Payroll taxes	30,853	30,685	30,463	222	29,211
Street lighting	71,523	71,807	72,824	(1,017)	72,208
General insurance	112,599	104,289	85,453	18,836	120,454
Group insurance	48,734	46,328	58,677	(12,349)	52,328
Dues and subscriptions	5,500	5,500	4,676	824	4,090
Utilities	8,400	6,518	7,571	(1,053)	6,947
Engineering	-	-	-	-	7,834
Repairs and maintenance	66,996	77,927	81,194	(3,267)	71,928
Uniforms	4,100	3,534	3,534	-	2,503
Install/remove Christmas decorations	2,500	1,300	1,300	-	3,219
Miscellaneous	200	285	285	-	3,257
Total streets	<u>799,456</u>	<u>798,903</u>	<u>797,336</u>	<u>1,567</u>	<u>812,729</u>
Culture and tourism:					
Begnaud House -					
Salaries	17,822	11,861	11,861	-	17,900
Payroll taxes	1,372	932	940	(8)	1,395
General insurance	1,922	2,393	2,278	115	1,498
Cost of sales	2,000	3,875	3,835	40	1,773
Telephone and utilities	5,629	5,162	4,820	342	6,190
Advertising and marketing	1,500	-	-	-	1,579
Events	200	513	513	-	193
Office expenditures	5,260	4,416	3,644	772	1,304
Building and grounds maintenance	1,000	1,318	1,672	(354)	4,898
Conferences	460	150	150	-	150
Miscellaneous	100	-	720	(720)	969
Total Begnaud House	<u>37,265</u>	<u>30,620</u>	<u>30,433</u>	<u>187</u>	<u>37,849</u>
Scott Event Center -					
Contract labor	2,171	231	248	(17)	13,125
General insurance	1,317	1,322	1,366	(44)	674
Utilities	9,375	9,080	9,365	(285)	8,011
Repairs and maintenance	17,600	11,348	13,155	(1,807)	19,245
Miscellaneous	100	-	-	-	-
Total Scott Event Center	<u>30,563</u>	<u>21,981</u>	<u>24,134</u>	<u>(2,153)</u>	<u>41,055</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Actual	Variance with Final Budget Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
<i>Scott Community Center -</i>					
General insurance	607	607	630	(23)	591
Repairs and maintenance	250	298	-	298	259
Supplies	-	-	383	(383)	-
Telephone and utilities	1,325	1,443	1,466	(23)	1,232
Total Scott Community Center	<u>2,182</u>	<u>2,348</u>	<u>2,479</u>	<u>(131)</u>	<u>2,082</u>
Total culture and recreation	<u>70,010</u>	<u>54,949</u>	<u>57,046</u>	<u>(2,097)</u>	<u>80,986</u>
Capital outlay	<u>134,084</u>	<u>272,943</u>	<u>273,540</u>	<u>(597)</u>	<u>399,910</u>
Total expenditures	<u>\$ 5,098,303</u>	<u>\$ 5,252,302</u>	<u>\$ 5,254,579</u>	<u>\$ (2,277)</u>	<u>\$ 5,135,499</u>

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
1968 Sales Tax Fund

Detailed Budgetary Comparison Schedule
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 2,800,000	\$ 2,690,617	\$ 2,623,015	\$(67,602)	\$2,684,126
Intergovernmental -					
Federal:					
Department of Homeland Security	-	15,945	14,145	(1,800)	-
Local grant	-	-	-	-	30,551
Miscellaneous -					
Interest	39,000	65,876	68,638	2,762	68,289
Other	-	-	-	-	5,040
Total revenues	<u>2,839,000</u>	<u>2,772,438</u>	<u>2,705,798</u>	<u>(66,640)</u>	<u>2,788,006</u>
Expenditures:					
General government -					
Collection fees	30,000	24,883	23,887	996	22,449
Professional fees	22,000	24,720	24,370	350	21,270
Total general government	<u>52,000</u>	<u>49,603</u>	<u>48,257</u>	<u>1,346</u>	<u>43,719</u>
Streets -					
Supplies and repairs	83,000	92,089	91,042	1,047	64,407
Herbicide program	29,730	34,730	37,314	(2,584)	49,732
Engineering fees - annexations, etc.	175,000	290,434	295,637	(5,203)	218,631
Total streets	<u>287,730</u>	<u>417,253</u>	<u>423,993</u>	<u>(6,740)</u>	<u>332,770</u>
Capital outlay	<u>643,959</u>	<u>574,254</u>	<u>583,785</u>	<u>(9,531)</u>	<u>109,708</u>
Total expenditures	<u>983,689</u>	<u>1,041,110</u>	<u>1,056,035</u>	<u>(14,925)</u>	<u>486,197</u>
Excess of revenues over expenditures	<u>1,855,311</u>	<u>1,731,328</u>	<u>1,649,763</u>	<u>(81,565)</u>	<u>2,301,809</u>

(continued)

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
1968 Sales Tax Fund

Detailed Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Other financing sources (uses):					
Transfers in	-	-	-	-	75,419
Transfers out	(1,390,000)	(876,421)	(876,421)	-	(973,162)
Total other financing sources (uses)	(1,390,000)	(876,421)	(876,421)	-	(897,743)
Excess of revenues and other financing sources over expenditures and other uses	465,311	854,907	773,342	(81,565)	1,404,066
Fund balance, beginning	2,534,539	2,534,539	2,534,539	-	1,130,473
Fund balance, ending	\$ 2,999,850	\$3,389,446	\$3,307,881	\$ (81,565)	\$ 2,534,539

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
1984 Sales Tax Fund

Detailed Budgetary Comparison Schedule
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$2,800,000	\$2,690,617	\$ 2,623,015	\$ (67,602)	\$ 2,684,126
Intergovernmental -					
Local grant	-	-	51,945	51,945	-
Miscellaneous -					
Equipment refund	-	-	3,462	3,462	148,292
Interest	44,000	25,531	49,468	23,937	46,223
Total revenues	<u>2,844,000</u>	<u>2,716,148</u>	<u>2,727,890</u>	<u>11,742</u>	<u>2,878,641</u>
Expenditures:					
General government -					
Sales tax collection fee	25,000	24,883	23,887	.996	22,449
Professional fees	17,000	24,525	23,410	1,115	26,260
Total general government	<u>42,000</u>	<u>49,408</u>	<u>47,297</u>	<u>2,111</u>	<u>48,709</u>
Public safety - fire					
Contract	75,000	75,000	75,000	-	75,000
Telephone and supplies	4,800	3,899	4,773	(874)	2,536
Uniforms	4,050	7,725	4,453	3,272	4,662
Professional fees	16,400	20,075	16,805	3,270	18,040
Salaries and benefits	367,997	437,577	454,658	(17,081)	372,612
Payroll taxes	28,887	34,010	34,584	(574)	28,906
Retirement	-	8,195	11,527	(3,332)	-
Contract labor	57,200	57,200	57,200	-	56,365
Insurance	17,000	20,506	22,332	(1,826)	13,723
Total public safety	<u>571,334</u>	<u>664,187</u>	<u>681,332</u>	<u>(17,145)</u>	<u>571,844</u>
Streets -					
Vehicle and equipment repairs and maintenance	94,000	84,954	69,604	15,350	67,282
Equipment lease	55,000	55,058	60,233	(5,175)	53,351
Total streets	<u>149,000</u>	<u>140,012</u>	<u>129,837</u>	<u>10,175</u>	<u>120,633</u>
Capital outlay	54,500	54,500	54,742	(242)	199,192
Total expenditures	<u>816,834</u>	<u>908,107</u>	<u>913,208</u>	<u>(5,101)</u>	<u>940,378</u>
Excess of revenues over expenditures	<u>2,027,166</u>	<u>1,808,041</u>	<u>1,814,682</u>	<u>6,641</u>	<u>1,938,263</u>

(continued)

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
1984 Sales Tax Fund

Detailed Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Other financing uses:					
Transfers out	(1,880,712)	(1,709,662)	(1,709,662)	-	(1,722,168)
Excess of revenues over expenditures and other uses	146,454	98,379	105,020	6,641	216,095
Fund balance, beginning	1,833,533	1,833,533	1,833,533	-	1,617,438
Fund balance, ending	<u>\$ 1,979,987</u>	<u>\$ 1,931,912</u>	<u>\$ 1,938,553</u>	<u>\$ 6,641</u>	<u>\$ 1,833,533</u>

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
Apollo Economic Development District Sales Tax Special Revenue Fund

Detailed Budgetary Comparison Schedule
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 1,069,110	\$ 922,755	\$ 907,721	\$ (15,034)	\$ 863,543
Intergovernmental -					
Federal grant	4,003,133	-	-	-	-
State grant	353,964	-	-	-	-
Miscellaneous	31,000	17,496	17,736	240	21,882
Total revenues	<u>5,457,207</u>	<u>940,251</u>	<u>925,457</u>	<u>(14,794)</u>	<u>885,425</u>
Expenditures:					
General government -					
Collection fees	7,500	7,022	7,045	(23)	6,568
Capital outlay	5,907,437	633,733	629,090	4,643	588,640
Total expenditures	<u>5,914,937</u>	<u>640,755</u>	<u>636,135</u>	<u>4,620</u>	<u>595,208</u>
Excess (deficiency) of revenues over expenditures	<u>(457,730)</u>	<u>299,496</u>	<u>289,322</u>	<u>(10,174)</u>	<u>290,217</u>
Other financing sources (uses):					
Transfers in	195,488	-	-	-	27,170
Transfers out	(795,712)	(784,039)	(784,039)	-	(365,904)
Total other financing sources (uses)	<u>(600,224)</u>	<u>(784,039)</u>	<u>(784,039)</u>	<u>-</u>	<u>(338,734)</u>
Deficiency of revenues and other financing sources over expenditures and other uses	(1,057,954)	(484,543)	(494,717)	(10,174)	(48,517)
Fund balances, beginning	<u>3,712,555</u>	<u>3,712,555</u>	<u>3,712,555</u>	<u>-</u>	<u>3,761,072</u>
Fund balances, ending	<u>\$ 2,654,601</u>	<u>\$ 3,228,012</u>	<u>\$ 3,217,838</u>	<u>\$ (10,174)</u>	<u>\$ 3,712,555</u>

CITY OF SCOTT, LOUISIANA
Capital Projects Fund
Street Construction Fund

Detailed Budgetary Comparison Schedule
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance - Favorable (Unfavorable)	2019 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Intergovernmental -					
State grant	\$ 5,500,000	\$ -	\$ -	\$ -	\$ -
Corporate contributions	-	-	-	-	332,179
Interest	-	44,483	54,071	9,588	71,883
Total revenues	<u>5,500,000</u>	<u>44,483</u>	<u>54,071</u>	<u>9,588</u>	<u>404,062</u>
Expenditures:					
Capital outlay	9,541,871	2,361,640	2,441,264	(79,624)	5,864,153
Debt service -					
Bond issuance costs	-	70,000	106,805	(36,805)	-
Total expenditures	<u>9,541,871</u>	<u>2,431,640</u>	<u>2,548,069</u>	<u>(116,429)</u>	<u>5,864,153</u>
Deficiency of revenues over expenditures	<u>(4,041,871)</u>	<u>(2,387,157)</u>	<u>(2,493,998)</u>	<u>(106,841)</u>	<u>(5,460,091)</u>
Other financing sources (uses):					
Bond proceeds	-	12,000,000	12,000,000	-	-
Transfers in	600,000	70,000	72,500	2,500	-
Transfers out	-	-	(14,522)	(14,522)	(75,419)
Total other financing sources (uses)	<u>600,000</u>	<u>12,070,000</u>	<u>12,057,978</u>	<u>(12,022)</u>	<u>(75,419)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(3,441,871)</u>	<u>9,682,843</u>	<u>9,563,980</u>	<u>(118,863)</u>	<u>(5,535,510)</u>
Fund balance, beginning	<u>638,270</u>	<u>638,270</u>	<u>638,270</u>	<u>-</u>	<u>6,173,780</u>
Fund balance, ending	<u>\$(2,803,601)</u>	<u>\$10,321,113</u>	<u>\$10,202,250</u>	<u>\$(118,863)</u>	<u>\$ 638,270</u>

CITY OF SCOTT, LOUISIANA
Capital Projects Fund
LCDBG Fund

Detailed Budgetary Comparison Schedule
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance - Favorable (Unfavorable)	2019 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Intergovernmental - federal LCDBG sewer grant	\$ 835,800	\$ 714,342	\$ 714,342	\$ -	\$ -
Expenditures:					
Capital outlay	-	-	-	-	-
Excess of revenues over expenditures	835,800	714,342	714,342	-	-
Other financing sources (uses):					
Transfers in	-	-	11,258	11,258	-
Transfers out	(835,800)	(714,342)	(725,600)	(11,258)	-
Total other financing sources (uses)	(835,800)	(714,342)	(714,342)	-	-
Excess of revenues and other financing sources over expenditures and other uses	-	-	-	-	-
Fund balance, beginning	-	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF SCOTT, LOUISIANA
Debt Service Fund
Sales Tax Bonds Fund

Detailed Budgetary Comparison Schedule
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Actual	Variance- Favorable (Unfavorable)	2019 Actual
	Budget				
	Original	Final			
Revenues:					
Miscellaneous - interest	\$ 3,700	\$ 3,832	\$ 4,213	\$ 381	\$ 3,603
Expenditures					
Debt service -					
Principal retirement	440,000	440,000	440,000	-	425,000
Interest	251,675	251,676	251,676	-	264,650
Paying agents' fees	1,640	1,640	1,639	1	3,259
Total debt service	<u>693,315</u>	<u>693,316</u>	<u>693,315</u>	<u>1</u>	<u>692,909</u>
Deficiency of revenues over expenditures	(689,615)	(689,484)	(689,102)	382	(689,306)
Other financing sources:					
Transfers in	<u>701,424</u>	<u>961,134</u>	<u>961,134</u>	-	<u>697,336</u>
Excess of revenues and other financing sources over expenditures	11,809	271,650	272,032	382	8,030
Fund balance, beginning	<u>281,635</u>	<u>281,635</u>	<u>281,635</u>	-	<u>273,605</u>
Fund balance, ending	<u>\$ 293,444</u>	<u>\$ 553,285</u>	<u>\$ 553,667</u>	<u>\$ 382</u>	<u>\$ 281,635</u>

CITY OF SCOTT, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2020 and 2019

Records maintained by the City indicated the following number of customers were being serviced during the month of June, 2020 and 2019:

<u>Department</u>	<u>2020</u>	<u>2019</u>
Gas (metered)	543	542
Water (metered)	2,829	2,813
Sewerage	1,850	1,831
Garbage	2,893	2,849

CITY OF SCOTT, LOUISIANA

Schedule of Insurance In Force
(Unaudited)
June 30, 2020

Description of Coverage	Coverage Amounts
Workmens' compensation - Employer's liability	Statutory \$100,000
Surety bonds - On public employees	250,000
Comprehensive general liability, bodily injury and property damage	500,000
Law enforcement officers comprehensive liability, personal injury and property damage, \$2,500 deductible	500,000
Public officials' errors and omissions, \$2,500 deductible	500,000
Comprehensive auto liability, bodily injury and property damage	500,000
Vehicle physical damage	1,898,062
Fire and lighting, extended coverage, vandalism malicious mischief - Properties located on Lions Club Road: City Hall and Emergency Services Buildings Community Center and Event Center Public Works and Maintenance Department buildings Parking and storage buildings Properties located on Mills Street: Wastewater plant and Dewatering building Property located on Benoit Patin Road: Welcome Center	6,654,174
Equipment breakdown coverage Comprehensive coverage including property damage \$2,500 deductible	7,385,835
Special equipment floater	1,110,913
Flood Insurance Buildings and contents	964,300

CITY OF SCOTT, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds
June 30, 2020

	<u>Financial Institution</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Amount</u>
Major governmental funds:						
General Fund -						
Certificate of deposit	H	05/29/20	05/29/21	12 months	0.55%	\$ 127,626
Money market investment account	H	N/A	N/A	N/A	Variable	95,221
Money market investment account	H	N/A	N/A	N/A	Variable	177,796
Money market investment account	H	N/A	N/A	N/A	Variable	104,353
Money market investment account	H	N/A	N/A	N/A	Variable	49,249
Money market investment account	H	N/A	N/A	N/A	Variable	1,605
Money market investment account	H	N/A	N/A	N/A	Variable	1,075
Total General Fund						<u>556,925</u>
1968 Sales Tax Fund -						
Certificate of deposit	H	04/06/20	10/06/21	18 months	0.55%	606,727
Money market investment account	H	N/A	N/A	N/A	Variable	2,360,338
Total 1968 Sales Tax Fund						<u>2,967,065</u>
1984 Sales Tax Fund -						
Certificate of deposit	H	04/06/20	10/06/21	18 months	0.55%	606,728
Certificate of deposit	H	05/24/20	05/24/21	12 months	0.55%	563,909
Money market investment account	H	N/A	N/A	N/A	Variable	1,672,824
Total 1984 Sales Tax Fund						<u>2,843,461</u>
Apollo EDD Sales Tax Fund -						
Certificate of deposit	H	04/28/20	10/28/20	18 months	0.55%	486,204
Certificate of deposit	H	03/06/20	03/06/21	12 months	0.55%	522,787
Money market investment account	H	N/A	N/A	N/A	Variable	145,608
Total TIF District Sales Tax Fund						<u>1,154,599</u>
Debt Service Fund -						
Sales Tax Bonds Fund:						
Money market investment account	H	N/A	N/A	N/A	Variable	<u>466,595</u>
Capital Projects Fund -						
Sewer System Construction Fund:						
Money market investment account	H	N/A	N/A	N/A	Variable	<u>10,677,832</u>
Total major governmental funds						<u>18,666,477</u>

(continued)

CITY OF SCOTT, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds (Continued)
June 30, 2020

	<u>Financial Institution</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Amount</u>
Utility Fund:						
Unrestricted -						
Certificate of deposit	C	03/02/20	09/02/20	180 days	0.55%	709,772
Certificate of deposit	H	04/06/20	10/06/21	18 months	0.55%	1,092,109
Money market investment account	H	N/A	N/A	N/A	Variable	5,069
Restricted -						
Money market investment account	H	N/A	N/A	N/A	Variable	24,397
Total Utility Fund						<u>1,831,347</u>
Total interest-bearing deposits						<u>20,497,824</u>
Investments:						
General Fund -						
Lamp		N/A	N/A	N/A	Variable	531,116
1968 Sales Tax Fund -						
Lamp		N/A	N/A	N/A	Variable	1,675,639
1984 Sales Tax Fund -						
Lamp		N/A	N/A	N/A	Variable	118,488
Utility Fund -						
Unrestricted - Lamp		N/A	N/A	N/A	Variable	106,050
Restricted - Customer deposits - Lamp		N/A	N/A	N/A	Variable	<u>168,431</u>
Total investments						<u>2,599,724</u>
Total interest-bearing deposits and investments						<u>\$ 23,097,548</u>

Financial Institution:

- C Chase Bank
- H Home Bank
- I Iberia Bank

CITY OF SCOTT, LOUISIANA

Comparative Statement of Net Position
Proprietary Fund
June 30, 2020 and 2019

	Enterprise Fund	
	2020	2019
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 2,034,995	\$ 2,062,620
Investments	106,050	100,480
Receivables:		
Accounts, net of allowance for doubtful accounts	266,967	288,649
Unbilled utility receivables	132,019	119,014
Accrued interest receivable	3,547	3,547
Due from other funds	1,955,131	1,959,137
Prepaid items	17,520	13,871
Total current assets	4,516,229	4,547,318
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits	97,783	80,462
Investments	168,431	169,663
Capital assets -		
Land and construction in progress	2,253,054	2,196,230
Other capital assets, net of accumulated depreciation	12,252,602	11,773,183
Total noncurrent assets	14,771,870	14,219,538
Total assets	19,288,099	18,766,856
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	94,297	115,239
Deferred outflows of resources related to net OPEB obligation	51,188	37,819
Total deferred outflows of resources	145,485	153,058
LIABILITIES		
Current liabilities:		
Accounts payable	209,101	195,402
Accrued liabilities	445	1,377
Unearned revenue	76,102	72,425
Due to other funds	598,718	56,040
Payable from restricted assets:		
Customers' deposits payable	192,828	176,739
Water revenue bonds payable	34,000	33,000
Accrued interest payable	2,854	8,965
Total current liabilities	1,114,048	543,948
Noncurrent liabilities:		
Compensated absences payable	615	640
Water revenue bonds payable	664,863	698,863
Net OPEB obligation payable	136,399	131,160
Net pension liability	308,510	333,575
Total noncurrent liabilities	1,110,387	1,164,238
Total liabilities	2,224,435	1,708,186
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	22,295	19,069
Deferred inflows of resources related to net OPEB obligation	5,356	-
Total deferred inflows of resources	27,651	19,069
NET POSITION		
Net investment in capital assets	13,840,793	13,270,550
Restricted for debt service	36,532	31,421
Unrestricted	3,304,173	3,890,688
Total net position	\$ 17,181,498	\$ 17,192,659

CITY OF SCOTT, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position -
 Proprietary Fund
 For the Years Ended June 30, 2020 and 2019

	Enterprise Fund	
	2020	2019
Operating revenues:		
Charges for services -		
Gas charges	\$ 498,227	\$ 521,854
Water service charges	1,297,146	1,290,301
Sewer service charges	589,045	590,374
Garbage service charges	895,056	861,939
Penalties, permits and connection fees	120,477	126,133
Total operating revenues	<u>3,399,951</u>	<u>3,390,601</u>
Operating expenses:		
Salaries	298,858	316,572
Retirement - current	39,541	40,273
Retirement expense (benefit) - GASB 68	8,400	19,102
OPEB expense (benefit)	(2,774)	(47,926)
Disposal charges	3,536	2,490
Gas and water purchases	1,064,127	1,141,452
Garbage collection fees	889,647	864,127
Supplies and repairs	203,236	227,793
Utilities and telephone	55,146	53,613
Professional fees	33,186	29,956
General insurance	59,176	68,553
Group health insurance	64,976	61,264
Office expense	21,245	12,045
Payroll taxes	22,858	23,735
Truck expenses	13,717	12,792
Training	2,723	23,062
Uniforms	3,269	3,717
Bad debts	9,978	40,455
Depreciation expense	523,821	513,092
Miscellaneous	-	523
Total operating expenses	<u>3,314,666</u>	<u>3,406,690</u>
Operating income (loss)	<u>85,285</u>	<u>(16,089)</u>

(continued)

CITY OF SCOTT, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Fund (Continued)
 For the Years Ended June 30, 2020 and 2019

	Enterprise Fund	
	2020	2019
Nonoperating revenues (expenses):		
State grant	13,200	-
Nonemployer pension contribution	9,297	9,902
Interest income	37,120	36,807
Interest expense	(11,415)	(28,150)
Total nonoperating revenues (expenses)	<u>48,202</u>	<u>18,559</u>
Income before capital contributions and transfers	<u>133,487</u>	<u>2,470</u>
Capital contributions	<u>-</u>	<u>8,029</u>
Transfers:		
Transfers in	1,509,680	1,463,228
Transfers out	(1,654,328)	(2,290,000)
Total transfers	<u>(144,648)</u>	<u>(826,772)</u>
Change in net position	(11,161)	(816,273)
Net position, beginning	<u>17,192,659</u>	<u>18,008,932</u>
Net position, ending	<u>\$ 17,181,498</u>	<u>\$ 17,192,659</u>

CITY OF SCOTT, LOUISIANA

Comparative Statement of Cash Flows
 Proprietary Fund
 For the Years Ended June 30, 2020 and 2019

	<u>Enterprise Fund</u>	
	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Receipts from customers	\$ 3,404,951	\$ 3,430,573
Payments to suppliers	(2,345,313)	(2,529,807)
Payments to employees	(423,459)	(393,918)
Net cash provided by operating activities	<u>636,179</u>	<u>506,848</u>
Cash flows from noncapital financing activities:		
Cash received from other funds	546,684	59,956
State grant	13,200	-
Net change in meter deposits	16,089	(12,960)
Transfers from other funds	1,509,680	1,463,228
Transfers to other funds	(1,654,328)	(2,290,000)
Net cash provided (used) by noncapital financing activities	<u>431,325</u>	<u>(779,776)</u>
Cash flows from capital and related financing activities:		
Proceeds from DHH water loan	-	32,115
Payment on DHH water loan	(33,000)	(31,000)
Interest on DHH water loan	(17,526)	(17,819)
Payment of capital lease	-	(28,081)
Interest on capital lease	-	(1,366)
Capital contributions	-	8,029
Acquisition of property, plant and equipment	(1,060,064)	(279,762)
Net cash used by capital and related financing activities	<u>(1,110,590)</u>	<u>(317,884)</u>
Cash flows from investing activities:		
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	2,040,630	1,998,138
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(2,076,362)	(2,040,630)
Interest on investments	37,120	36,066
Net cash provided (used) by investing activities	<u>1,388</u>	<u>(6,426)</u>
Net decrease in cash and cash equivalents	(41,698)	(597,238)
Cash and cash equivalents, beginning of period	<u>372,595</u>	<u>969,833</u>
Cash and cash equivalents, end of period	<u>\$ 330,897</u>	<u>\$ 372,595</u>

(continued)

CITY OF SCOTT, LOUISIANA

Comparative Statement of Cash Flows
 Proprietary Fund (Continued)
 For the Years Ended June 30, 2020 and 2019

	<u>Enterprise Fund</u>	
	<u>2020</u>	<u>2019</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 85,285	\$ (16,089)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	523,821	513,092
Pension and OPEB expense	5,626	(28,824)
Provision for uncollectible accounts	9,978	339
Changes in current assets and liabilities:		
Decrease in accounts receivable	11,704	23,318
(Increase) decrease in unbilled utility receivables	(13,005)	17,065
(Increase) decrease in prepaid items	(3,649)	3,899
Increase (decrease) in accounts payable	13,699	(4,813)
Decrease in accrued liabilities	(932)	(1,294)
Increase in unearned revenue	3,677	750
Decrease in compensated absences payable	(25)	(595)
Net cash provided by operating activities	<u>636,179</u>	<u>506,848</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash and interest-bearing deposits - unrestricted	\$ 2,062,620	\$ 2,615,979
Interest-bearing deposits - restricted	80,462	88,005
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(1,770,487)</u>	<u>(1,734,151)</u>
Total cash and cash equivalents, beginning of period	<u>372,595</u>	<u>969,833</u>
Cash and cash equivalents, end of period -		
Cash and interest-bearing deposits - unrestricted	2,034,995	2,062,620
Interest-bearing deposits - restricted	97,783	80,462
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(1,801,881)</u>	<u>(1,770,487)</u>
Total cash and cash equivalents, end of period	<u>330,897</u>	<u>372,595</u>
Net decrease in cash and cash equivalents	<u>\$ (41,698)</u>	<u>\$ (597,238)</u>

CITY OF SCOTT, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Statement of Revenues and Expenses
For the Years Ended June 30, 2020 and 2019

	Totals		Gas	
	2020	2019	2020	2019
Operating revenues:				
Customers service charges	\$ 3,279,474	\$ 3,264,468	\$ 498,227	\$ 521,854
Permits, reconnections and penalties	120,477	126,133	16,680	28,237
Total operating revenues	<u>3,399,951</u>	<u>3,390,601</u>	<u>514,907</u>	<u>550,091</u>
Operating expenses:				
Salaries	298,858	316,572	146,002	144,443
Retirement - current	39,541	40,273	18,971	18,357
Retirement expense - GASB 68	8,400	19,102	4,032	8,596
OPEB expense (benefit)	(2,774)	(47,926)	(1,387)	(20,540)
Disposal charges - plant	3,536	2,490	-	-
Gas and water purchases	1,064,127	1,141,452	118,623	145,498
Garbage collection fees	889,647	864,127	-	-
Supplies and repairs	157,991	199,613	19,334	74,049
Supplies - plant	45,245	28,180	-	-
Utilities	29,497	28,681	1,398	1,401
Utilities - plant	25,649	24,932	-	-
Professional fees	33,186	29,956	13,162	10,402
Insurance	38,682	46,925	12,906	15,440
Insurance - plant	20,494	21,628	-	-
Group insurance	64,976	61,264	28,423	26,882
Office expense	21,245	12,045	6,060	4,023
Payroll taxes	22,858	23,735	11,130	11,013
Truck expenses	13,717	12,792	4,102	3,899
Training	2,723	23,062	1,500	11,601
Uniforms	3,269	3,417	1,565	1,780
Uniforms - plant	-	300	-	-
Bad debts	9,978	40,455	2,167	8,330
Depreciation	468,202	455,373	19,885	20,615
Depreciation - plant	55,619	57,719	-	-
Miscellaneous	-	523	-	251
Total operating expenses	<u>3,314,666</u>	<u>3,406,690</u>	<u>407,873</u>	<u>486,040</u>
Net operating income (loss)	<u>\$ 85,285</u>	<u>\$ (16,089)</u>	<u>\$ 107,034</u>	<u>\$ 64,051</u>

Water		Sewerage		Garbage	
2020	2019	2020	2019	2020	2019
\$ 1,297,146	\$ 1,290,301	\$ 589,045	\$ 590,374	\$ 895,056	\$ 861,939
73,348	61,785	20,449	26,111	10,000	10,000
<u>1,370,494</u>	<u>1,352,086</u>	<u>609,494</u>	<u>616,485</u>	<u>905,056</u>	<u>\$ 871,939</u>
117,252	135,930	35,604	36,199	-	-
15,702	17,143	4,868	4,773	-	-
3,335	8,214	1,033	2,292	-	-
(925)	(20,540)	(462)	(6,846)	-	-
-	-	3,536	2,490	-	-
945,504	995,954	-	-	-	-
-	-	-	-	889,647	864,127
92,995	64,942	45,662	60,622	-	-
-	-	45,245	28,180	-	-
780	780	27,319	26,500	-	-
-	-	25,649	24,932	-	-
10,012	9,927	10,012	9,627	-	-
13,074	17,826	12,702	13,659	-	-
-	-	20,494	21,628	-	-
25,664	23,632	10,889	10,750	-	-
7,512	3,921	7,673	4,101	-	-
9,136	10,063	2,592	2,659	-	-
6,433	3,851	3,182	5,042	-	-
761	10,342	462	1,119	-	-
1,090	1,086	614	551	-	-
-	-	-	300	-	-
5,359	21,964	2,452	10,161	-	-
217,558	201,848	230,759	232,910	-	-
-	-	55,619	57,719	-	-
-	272	-	-	-	-
<u>1,471,242</u>	<u>1,507,155</u>	<u>545,904</u>	<u>549,368</u>	<u>889,647</u>	<u>864,127</u>
\$ (100,748)	\$ (155,069)	\$ 63,590	\$ 67,117	\$ 15,409	7,812

**INTERNAL CONTROL, COMPLIANCE,
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

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

WWW.KSRCPAS.COM

The Honorable Jan-Scott Richard, Mayor
and Members of the Board of Aldermen
City of Scott, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scott, Louisiana (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the City's basic financial statements and have issued our report thereon dated October 15, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 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. We consider the deficiency, described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2020-001, to be a material weakness.

Compliance and Other Matters

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

The City of Scott, Louisiana's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 15, 2020

KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Jan-Scott Richard, Mayor
and Members of the Board of Aldermen
City of Scott, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the City of Scott's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2020-007 through 2020-011. Our opinion on the major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2020-002 through 2020-006, that we consider to be material weaknesses.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 5, 2020

CITY OF SCOTT, LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Grantor / Pass-Through Grantor / Program Name	Federal CFDA Number	Disbursements/ Expenditures
U.S. Department of Housing and Urban Development - Passed through Louisiana Division of Administration: Community Development Block Grant *	14.228	\$ 714,342
U.S. Department of Homeland Security - Passed through Louisiana Department of Homeland Security: Disaster Grants - Public Assistance	97.036	<u>62,226</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 776,568</u>

* Indicates major program

CITY OF SCOTT, LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the City of Scott (City) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements for the year ended June 30, 2020. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

CITY OF SCOTT, LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

Part I. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City were prepared in accordance with GAAP.
2. One deficiency in internal control was disclosed during the audit of the financial statements. The deficiency was considered to be a material weakness.
3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Governmental Auditing Standards*, were disclosed during the audit.
4. There were five material weaknesses in internal control over major federal award programs reported during the audit.
5. The auditor's report on compliance for the Community Development Block Grant (14.228) expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516 (a) are reported in this schedule.
7. The following program is considered to be the only major program: Community Development Block Grant (14.228).
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The auditee did not qualify as a low-risk auditee.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

Internal Control Finding -

2020-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

Condition

The City did not have adequate segregation of functions within the accounting system.

Criteria

The City should have a control policy according to which no person should be given responsibility for more than one related function.

CITY OF SCOTT, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2020

Cause

Due to the size of the City, they do not have a sufficient number of employees to provide adequate segregation of duties.

Effect

The City has employees that are performing more than one related function.

Recommendation

The City should monitor mitigating controls over functions that are not completely segregated.

Management's Corrective Action Plan

Due to the size of operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Compliance Findings –

There were no compliance findings reported for the year ended June 30, 2020.

Part III. Findings and questioned cost for Federal awards which include audit findings as defined in 2 CFR section 200 of the Uniform Guidance:

U.S. Department of Housing and Urban Development:

Internal Control Findings –

2020-002

Community Development Block Grant (14.228)

See compliance finding **2020-007**.

2020-003

Community Development Block Grant (14.228)

See compliance finding **2020-008**.

CITY OF SCOTT, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2020

2020-004

Community Development Block Grant (14.228)

See compliance finding **2020-009**.

2020-005

Community Development Block Grant (14.228)

See compliance finding **2020-010**.

2020-006

Community Development Block Grant (14.228)

See compliance finding **2020-011**.

Compliance Findings –

2020-007 Timely Disbursement of LCDBG Funds

Community Development Block Grant (14.228)

Fiscal year finding initially occurred: 2020

Criteria

The 2019 Louisiana Community Development Block Grant (LCDBG) Grantee Handbook requires payments for expenditures to be disbursed within three working days of the receipt of the LCDBG funds.

Condition

The City did not disburse the funds timely

Cause

There were inadequate policies and procedures in place to ensure that the disbursements were made timely.

Effect

The City did not comply with the grant agreement regarding timely disbursement of LCDBG funds.

CITY OF SCOTT, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2020

Recommendation

Adequate policies and procedures should be implemented to ensure compliance with the grant agreement regarding timely disbursement of funds.

Management's Corrective Action Plan

The City agrees with the finding and has established policies and procedures that will ensure the timely disbursement of LCDBG funds.

2020-008 Separate Bank Account

Community Development Block Grant (14.228)

Fiscal year finding initially occurred: 2020

Criteria

The 2019 LCDBG Grantee Handbook requires that funds from LCDBG contracts be deposited into separate non-interest bearing accounts.

Condition

The City deposited grant funds for the current LCDBG contract into an existing account that was used for a prior LCDBG contract.

Cause

Management was not aware that the bank account that was used for prior LCDBG funds was not allowed to be used for current LCDBG funds.

Effect

The City did not comply with the grant agreement regarding the use of separate accounts.

Recommendation

The City should implement policies and procedures to ensure that separate accounts are utilized for each LCDBG grant.

Management's Corrective Action Plan

The City agrees with the finding and has established policies and procedures to ensure that separate accounts will be utilized.

CITY OF SCOTT, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2020

2020-009 Chart of Accounts

Community Development Block Grant (14.228)

Fiscal year finding initially occurred: 2020

Criteria

The 2019 LCDBG Grantee Handbook requires that the City establish accounting records that are properly documented, recorded, and auditable for LCDBG-related transactions, including a chart of accounts for the LCDBG Fund.

Condition

The City did not have a specific set of accounts allocated for LCDBG defining their exact purpose. LCDBG funds and related expenditures were not recorded in a separate LCDBG Fund. Management should record LCDBG funds/expenditures into proper fund and account.

Cause

Management utilized an existing fund to record LCDBG fund transactions. Additionally, some of the transactions were erroneously recorded in another fund.

Effect

The City did not comply with the grant agreement regarding the use of a separate fund to report the activity of the LCDBG grant program.

Recommendation

Management should create and maintain a separate fund and a chart of accounts to record only the activities of the LCDBG grant program.

Management's Corrective Action Plan

The City agrees with the finding and will establish and utilize a separate fund and chart of accounts to record any future LCDBG grant activities.

CITY OF SCOTT, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2020

2020-010 Clearing Account

Community Development Block Grant (14.228)

Fiscal year finding initially occurred: 2020

Criteria

The 2019 LCDBG Grantee Handbook requires written approval from the Office of Community Development for the use of a clearing account.

Condition

The City utilized the disbursement fund instead of the LCDBG fund to pay invoices for LCDBG related program cost without obtaining approval.

Cause

Management was not aware that they could not use a clearing account without obtaining approval.

Effect

The City did not comply with the grant agreement regarding the use of clearing accounts for the disbursement of funds.

Recommendation

The City should discontinue the use of the clearing account for LCDBG disbursements and disburse payments from the LCDBG fund.

Management's Corrective Action Plan

The City agrees with the finding and will utilize the LCDBG fund for future payments.

CITY OF SCOTT, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2020

2020-011 Activities/Cost Allowed or Unallowed

Community Development Block Grant (14.228)

Fiscal year finding initially occurred: 2020

Criteria

The LCDBG grant sets maximum amounts allowable for engineering services.

Condition

The City submitted a request for \$3,800 of engineering services that exceeded the maximum allowable under the grant agreement.

Cause

The City did not have policies and procedures in place to review the engineering services contract and determine amounts being charged on the contract were within the allowable amounts.

Effect

The City reimbursed the state for \$3,800 of engineering costs that exceeded the allowable amount.

Recommendation

The City should ensure that all amounts requested are allowable in accordance with the grant agreement.

Management's Corrective Action Plan

The City agrees with the finding and has implemented policies and procedures to ensure that all amounts requested for reimbursement are allowable costs.

MAYOR
JAN-SCOTT RICHARD
CITY MANAGER
BRENDA T. DUGAS
CITY CLERK
SHELLEY M. GAUTREAU



SCOTT
LOUISIANA
— EST. 1907 —

COUNCIL
TROY BERGERON
At Large—Mayor Pro-Tem
DOYLE J. BOUDREAU
TERRY MONToucET
DANNY T. HOLLIER
KENNY J. SUIRE

BOUDIN CAPITAL OF THE WORLD

**CITY OF SCOTT
CORRECTIVE ACTION PLAN
JUNE 30, 2020**

U.S. Department of Housing & Urban Development

The City of Scott respectfully submits the following corrective action plan for the year ended 6/30/2020.

Audit conducted by:

Kolder, Slaven & Company, LLC
183 S. Beadle Road
Lafayette LA 70508

Audit Period: 7/1/2019 – 6/30/2020

The findings from the 6/30/2020 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT:

Material Weakness:

2020-001 **Recommendation:** The City should monitor mitigating controls over functions that are not completely segregated.

Corrective Action Plan: Due to the size of operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

FINDINGS – FEDERAL AWARD PROGRAMS AUDIT:

DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Community Development Block Grant (CDBG) (14.228)

Material Weaknesses:

2020-002 See **2020-007**

2020-003 See **2020-008**

2020-004 See **2020-009**

2020-005 See 2020-010

2020-006 See 2020-011

Compliance:

2020-007 **Recommendation:** Adequate policies and procedures should be implemented to ensure compliance with the grant agreement regarding timely disbursement of funds.

Corrective Action Plan: The City has established policies and procedures to ensure that all LCDBG funds are disbursed timely in accordance with program requirements.

2020-008 **Recommendation:** The City should implement policies and procedures to ensure that separate accounts are utilized for each LCDBG grant.

Corrective Action Plan: The City has established policies and procedures to ensure separate accounts are utilized.

2020-009 **Recommendation:** Management should create and maintain a separate fund and a chart of accounts to record only the activities of the LCDBG grant program.

Corrective Action Plan: The City will establish and utilize a separate fund and chart of accounts to record LCDBG program activities in the future.

2020-010 **Recommendation:** The City should discontinue the use of the clearing account for LCDBG disbursements and disburse payments from the LCDBG fund.

Corrective Action Plan: The City has discontinued the use of the disbursement fund and will utilize the LCDBG fund for future payments.

2020-011 **Recommendation:** The City should ensure that all amounts requested are allowable in accordance with the grant agreement.

Corrective Action Plan: The City has implemented policies and procedures to ensure that all costs required for reimbursement are allowable costs.

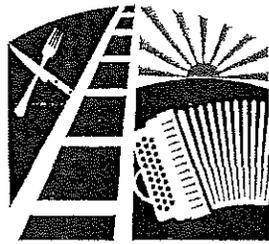
If the U.S. Department of Housing & Urban Development has questions regarding this plan, please call Mayor Jan-Scott Richard at 337-233-1130.

Sincerely,



Jan-Scott Richard
Mayor

MAYOR
JAN-SCOTT RICHARD
CITY MANAGER
BRENDA T. DUGAS
CITY CLERK
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SCOTT
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BOUDIN CAPITAL OF THE WORLD

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DOYLE J. BOUDREAU
TERRY MONTUCET
DANNY T. HOLLIER
KENNY J. SUIRE

City of Scott
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2020

FINDINGS – FINANCIAL STATEMENT AUDIT:

Internal Control Finding –

2019-001.

Condition: The City did not have adequate segregation of functions within the accounting system.

Recommendation: The City should monitor mitigating controls over functions that are not completely segregated.

Current Status: The finding was not resolved and is repeated in current year. The City is monitoring mitigating controls over functions that are not completely segregated. Due to the size of operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jan-Scott Richard', is written over a horizontal line.

Jan-Scott Richard
Mayor