

**CITY OF ABBEVILLE, LOUISIANA**

Financial Report

Year Ended December 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mark Piazza, Mayor  
And Members of the City Council  
City of Abbeville, Louisiana

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

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Abbeville, Louisiana, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City's basic financial statements as listed in the table of contents.

#### **Adverse Opinion on Aggregate Discretely Presented Component Units**

In our opinion, because of the significance of the matter described in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the City of Abbeville, Louisiana, as of December 31, 2021, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Qualified Opinion on Aggregate Remaining Fund Information**

In our opinion, except for the matters described in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate remaining fund information of the City of Abbeville, Louisiana, as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Abbeville, Louisiana, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Adverse, Qualified, and Unmodified Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities

for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Abbeville, Louisiana, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, qualified, and unmodified audit opinions.

#### Matter Giving Rise to Adverse Opinion on Aviation Fund and Qualified Opinion on Business-type Activities

The financial statements referred to above do not include financial data for the City of Abbeville, Louisiana's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be presented with the financial data of the City of Abbeville, Louisiana's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the governmental activities has not been determined.

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

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Abbeville, Louisiana's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Abbeville, Louisiana's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's budgetary comparison information, the schedule of changes in net OPEB liability and related ratios, the schedule of proportionate share of net pension liability, the schedule of contributions, and the schedule of Justice System funding on pages 55-61 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### **Supplementary Information**

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

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

In accordance with Government Auditing Standards, we have also issued our report dated May 9, 2022, on our consideration of the City of Abbeville, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Abbeville, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Abbeville, Louisiana's internal control over financial reporting and compliance.

***Darnall, Sikes & Frederick***

A Corporation of Certified Public Accountants

Abbeville, Louisiana

May 9, 2022

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



CITY OF ABBEVILLE, LOUISIANA

Statement of Net Position  
December 31, 2021  
With Comparative Totals for December 31, 2020

|  | Governmental<br>Activities | Business-Type<br>Activities | Total               | 2020<br>Totals      |
|--|----------------------------|-----------------------------|---------------------|---------------------|
| <b>ASSETS</b>                                      |                            |                             |                     |                     |
| Current assets:                                    |                            |                             |                     |                     |
| Cash and interest-bearing deposits                 | \$ 6,509,186               | \$ 1,472,796                | \$ 7,981,982        | \$ 3,526,791        |
| Receivables, net                                   | 792,196                    | 2,054,917                   | 2,847,113           | 2,661,641           |
| Due from other governmental units                  | 154,195                    | 927,272                     | 1,081,467           | 1,105,341           |
| Due from other fund                                | 76,267                     | -                           | 76,267              | 15,000              |
| Inventory-materials and supplies, at cost          | <u>5,246</u>               | <u>296,000</u>              | <u>301,246</u>      | <u>290,228</u>      |
| Total current assets                               | <u>7,537,090</u>           | <u>4,750,985</u>            | <u>12,288,075</u>   | <u>7,599,001</u>    |
| Noncurrent assets:                                 |                            |                             |                     |                     |
| Restricted assets:                                 |                            |                             |                     |                     |
| Cash and interest-bearing deposits                 | -                          | 1,040,968                   | 1,040,968           | 1,003,891           |
| Capital assets, net                                | <u>21,031,837</u>          | <u>11,560,814</u>           | <u>32,592,651</u>   | <u>30,360,334</u>   |
| Total noncurrent assets                            | <u>21,031,837</u>          | <u>12,601,782</u>           | <u>33,633,619</u>   | <u>31,364,225</u>   |
| Total assets                                       | <u>28,568,927</u>          | <u>17,352,767</u>           | <u>45,921,694</u>   | <u>38,963,226</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                            |                             |                     |                     |
| Deferred outflows related to net OPEB              | 2,392,493                  | 797,498                     | 3,189,991           | 3,521,396           |
| Deferred outflows related to net pension liability | <u>3,201,859</u>           | <u>246,872</u>              | <u>3,448,731</u>    | <u>3,843,021</u>    |
|  | <u>5,594,352</u>           | <u>1,044,370</u>            | <u>6,638,722</u>    | <u>7,364,417</u>    |
| <b>LIABILITIES</b>                                 |                            |                             |                     |                     |
| Current liabilities:                               |                            |                             |                     |                     |
| Accounts, salaries and other payables              | 1,009,859                  | 615,083                     | 1,624,942           | 1,222,305           |
| Due to other fund                                  | 61,267                     | 15,000                      | 76,267              | 15,000              |
| Capital lease payable, due within on year          | 48,903                     | -                           | 48,903              | 48,903              |
| Bonds payable, due within one year                 | <u>733,000</u>             | <u>-</u>                    | <u>733,000</u>      | <u>714,000</u>      |
| Total current liabilities                          | <u>1,853,029</u>           | <u>630,083</u>              | <u>2,483,112</u>    | <u>2,000,208</u>    |
| Noncurrent liabilities:                            |                            |                             |                     |                     |
| Compensated absences                               | 669,190                    | -                           | 669,190             | 694,764             |
| Customers deposits                                 | -                          | 1,040,968                   | 1,040,968           | 1,003,891           |
| OPEB obligations                                   | 17,218,913                 | 5,739,638                   | 22,958,551          | 22,740,704          |
| Net pension liability                              | 5,989,175                  | 1,123,413                   | 7,112,588           | 11,449,131          |
| Capital lease payable                              | 6,110                      | -                           | 6,110               | 48,904              |
| Bonds payable                                      | <u>4,097,000</u>           | <u>-</u>                    | <u>4,097,000</u>    | <u>1,830,000</u>    |
| Total noncurrent liabilities                       | <u>27,980,388</u>          | <u>7,904,019</u>            | <u>35,884,407</u>   | <u>37,767,394</u>   |
| Total liabilities                                  | <u>29,833,417</u>          | <u>8,534,102</u>            | <u>38,367,519</u>   | <u>39,767,602</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                            |                             |                     |                     |
| Deferred inflows related to net OPEB               | 2,785,047                  | 928,349                     | 3,713,396           | 3,781,247           |
| Deferred inflows related to net pension liability  | <u>3,728,913</u>           | <u>349,951</u>              | <u>4,078,864</u>    | <u>1,084,748</u>    |
|  | <u>6,513,960</u>           | <u>1,278,300</u>            | <u>7,792,260</u>    | <u>4,865,995</u>    |
| <b>NET POSITION</b>                                |                            |                             |                     |                     |
| Net investment in capital assets                   | 16,146,824                 | 11,560,814                  | 27,707,638          | 27,718,527          |
| Unrestricted                                       | <u>(18,330,922)</u>        | <u>(2,976,079)</u>          | <u>(21,307,001)</u> | <u>(26,024,481)</u> |
| Total net position (deficit)                       | <u>\$ (2,184,098)</u>      | <u>\$ 8,584,735</u>         | <u>\$ 6,400,637</u> | <u>\$ 1,694,046</u> |

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

CITY OF ABBEVILLE, LOUISIANA

Statement of Activities  
Year Ended December 31, 2021

| Activities                                       | Expenses             | Program Revenues                         |  |  | Net (Expense) Revenues and<br>Changes in Net Position |                             |                     |
|--|----------------------|--|--|--|---|-----------------------------|---------------------|
|  |                      | Fees, Fines, and<br>Charges for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                            | Business-Type<br>Activities | Total               |
| Governmental activities:                         |                      |  |  |  |   |                             |                     |
| General government                               | \$ 2,700,069         | \$ 609,576                               | \$ 759,284                               | \$ 4,275,958                           | \$ 2,944,749  | \$ -                        | \$ 2,944,749        |
| Public safety:                                   |                      |  |  |  |   |                             |                     |
| Police   | 3,635,701            | 56,981                                   | 32,824                                   | -                                      | (3,545,896)   | -                           | (3,545,896)         |
| Fire   | 3,973,662            | -  | 169,334                                  | -                                      | (3,804,328)   | -                           | (3,804,328)         |
| Highways and streets                             | 2,216,812            | -  | -  | -                                      | (2,216,812)   | -                           | (2,216,812)         |
| Culture and recreation                           | 658,325              | -  | -  | -                                      | (658,325)   | -                           | (658,325)           |
| Interest on long-term debt                       | <u>56,260</u>        | <u>-</u>                                 | <u>-</u>                                 | <u>-</u>                               | <u>(56,260)</u>                                       | <u>-</u>                    | <u>(56,260)</u>     |
| Total governmental activities                    | 13,240,829           | 666,557                                  | 961,442                                  | 4,275,958                              | (7,336,872)   | -                           | (7,336,872)         |
| Business-type activities:                        |                      |  |  |  |   |                             |                     |
| Electric   | 8,059,175            | 12,563,958                               | -  | -                                      | -   | 4,504,783                   | 4,504,783           |
| Water  | 1,847,202            | 2,026,614                                | -  | -                                      | -   | 179,412                     | 179,412             |
| Sewer  | <u>2,011,076</u>     | <u>2,068,422</u>                         | <u>-</u>                                 | <u>-</u>                               | <u>-</u>  | <u>57,346</u>               | <u>57,346</u>       |
| Total business-type activities                   | <u>11,917,453</u>    | <u>16,658,994</u>                        | <u>-</u>                                 | <u>-</u>                               | <u>-</u>  | <u>4,741,541</u>            | <u>4,741,541</u>    |
| Total  | <u>\$ 25,158,282</u> | <u>\$ 17,325,551</u>                     | <u>\$ 961,442</u>                        | <u>\$ 4,275,958</u>                    | <u>(7,336,872)</u>                                    | <u>4,741,541</u>            | <u>(2,595,331)</u>  |
| General revenues:                                |                      |  |  |  |   |                             |                     |
| Taxes -  |                      |  |  |  |   |                             |                     |
| Property taxes, levied for general purposes      |                      |  |  |  | 338,414   | -                           | 338,414             |
| Property taxes, levied for sewer improvement     |                      |  |  |  | 84,703  | -                           | 84,703              |
| Sales and use taxes, levied for general purposes |                      |  |  |  | 5,768,653   | -                           | 5,768,653           |
| Payment in lieu of taxes                         |                      |  |  |  | 17,329  | -                           | 17,329              |
| Franchise and chain store taxes                  |                      |  |  |  | 215,328   | -                           | 215,328             |
| Interest and investment earnings                 |                      |  |  |  | 18,610  | 6,367                       | 24,977              |
| Gain (loss) on disposal of fixed asset           |                      |  |  |  | (4,641)   | -                           | (4,641)             |
| Miscellaneous                                    |                      |  |  |  | 208,911   | 648,248                     | 857,159             |
| Transfers  |                      |  |  |  | <u>5,753,167</u>                                      | <u>(5,753,167)</u>          | <u>-</u>            |
| Total general revenues and transfers             |                      |  |  |  | <u>12,400,474</u>                                     | <u>(5,098,552)</u>          | <u>7,301,922</u>    |
| Change in net position                           |                      |  |  |  | 5,063,602   | (357,011)                   | 4,706,591           |
| Net position (deficit) - December 31, 2020       |                      |  |  |  | <u>(7,247,700)</u>                                    | <u>8,941,746</u>            | <u>1,694,046</u>    |
| Net position (deficit) - December 31, 2021       |                      |  |  |  | <u>\$ (2,184,098)</u>                                 | <u>\$ 8,584,735</u>         | <u>\$ 6,400,637</u> |

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

**BASIC FINANCIAL STATEMENTS:**  
**FUND FINANCIAL STATEMENTS (FFS)**

## **MAJOR FUNDS**

### **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 Fund**

Sales Tax Fund –

To account for the receipt and use of proceeds of the City's one and three-quarter percent sales and use tax. These taxes are dedicated to the following purposes: constructing, acquiring, improving, and maintaining police and fire department stations and equipment; garbage and waste disposal facilities; streets, sidewalks, and drainage facilities; sewer and sewerage disposal works; park facilities; and paying a portion of the salaries and benefits of City employees.

### **Capital Project Funds**

Airport Improvement Fund –

To account for improvement projects at the Abbeville Chris Crusta Memorial Airport. Program expenditures are generally funded by federal and state grants.

Comeaux Park Renovation Fund -

To account for improvement projects at the Comeaux Park. Program expenditures are funded by 2021 Revenue Bond proceeds.

### **Enterprise Fund**

Utility Fund –

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

CITY OF ABBEVILLE, LOUISIANA

Balance Sheet  
 Governmental Funds  
 December 31, 2021  
 With Comparative Totals for December 31, 2020

| ASSETS                              | General             | Sales Tax           | Airport           | Comeaux Park        | Other             | Totals              |                     |
|-------------------------------------|---------------------|---------------------|-------------------|---------------------|-------------------|---------------------|---------------------|
|                                     | Fund                | Fund                | Improvement       | Renovation          | Governmental      | (Memorandum Only)   |                     |
|                                     |                     |                     | Fund              | Fund                | Funds             | 2021                | 2020                |
| Cash and interest-bearing deposits  | \$ 2,594,341        | \$ 1,462,032        | \$ -              | \$ 1,592,314        | \$ 766,226        | \$ 6,414,913        | \$ 2,056,745        |
| Receivables:                        |                     |                     |                   |                     |                   |                     |                     |
| Taxes                               | 52,602              | 501,014             | -                 | -                   | 13,184            | 566,800             | 625,650             |
| Franchise fees and royalties        | 158,972             | -                   | -                 | -                   | -                 | 158,972             | 147,712             |
| Other                               | 31,010              | 35,414              | -                 | -                   | -                 | 66,424              | 53,705              |
| Due from other governments          | 12,597              | -                   | 123,082           | -                   | 18,516            | 154,195             | 155,299             |
| Due from other funds                | -                   | 12,267              | -                 | -                   | 4,000             | 16,267              | -                   |
| Inventory                           | 5,246               | -                   | -                 | -                   | -                 | 5,246               | 4,762               |
| Total assets                        | <u>\$ 2,854,768</u> | <u>\$ 2,010,727</u> | <u>\$ 123,082</u> | <u>\$ 1,592,314</u> | <u>\$ 801,926</u> | <u>\$ 7,382,817</u> | <u>\$ 3,043,873</u> |
| LIABILITIES AND FUND BALANCES       |                     |                     |                   |                     |                   |                     |                     |
| Liabilities:                        |                     |                     |                   |                     |                   |                     |                     |
| Accounts payable                    | \$ 141,560          | \$ 80,042           | \$ 123,082        | \$ 171,000          | \$ 22,516         | \$ 538,200          | \$ 62,696           |
| Accrued salaries                    | 52,502              | -                   | -                 | -                   | -                 | 52,502              | 23,717              |
| Other accrued liabilities           | 143,708             | -                   | -                 | -                   | -                 | 143,708             | 145,292             |
| Due to other funds                  | 57,267              | 4,000               | -                 | -                   | -                 | 61,267              | 45,000              |
| Total liabilities                   | <u>395,037</u>      | <u>84,042</u>       | <u>123,082</u>    | <u>171,000</u>      | <u>22,516</u>     | <u>795,677</u>      | <u>276,705</u>      |
| Fund balances:                      |                     |                     |                   |                     |                   |                     |                     |
| Nonspendable - inventory            | 5,246               | -                   | -                 | -                   | -                 | 5,246               | 4,762               |
| Restricted for:                     |                     |                     |                   |                     |                   |                     |                     |
| Economic development                | -                   | -                   | -                 | -                   | 24,078            | 24,078              | 24,078              |
| Fire protection                     | -                   | -                   | -                 | -                   | 120,815           | 120,815             | 94,071              |
| Sewer improvement                   | -                   | -                   | -                 | -                   | 31,876            | 31,876              | 87,551              |
| Salaries and benefits               | -                   | 1,284,698           | -                 | -                   | -                 | 1,284,698           | 816,428             |
| Capital outlay                      | -                   | 641,987             | -                 | 1,421,314           | -                 | 2,063,301           | 809,439             |
| Airport operations                  | 96,162              | -                   | -                 | -                   | -                 | 96,162              | 54,144              |
| Assigned for debt service           | -                   | -                   | -                 | -                   | 602,641           | 602,641             | 586,895             |
| Unassigned                          | 2,358,323           | -                   | -                 | -                   | -                 | 2,358,323           | 289,800             |
| Total fund balances                 | <u>2,459,731</u>    | <u>1,926,685</u>    | <u>-</u>          | <u>1,421,314</u>    | <u>779,410</u>    | <u>6,587,140</u>    | <u>2,767,168</u>    |
| Total liabilities and fund balances | <u>\$ 2,854,768</u> | <u>\$ 2,010,727</u> | <u>\$ 123,082</u> | <u>\$ 1,592,314</u> | <u>\$ 801,926</u> | <u>\$ 7,382,817</u> | <u>\$ 3,043,873</u> |

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

CITY OF ABBEVILLE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2021

|  |                    |                       |
|--|--------------------|-----------------------|
| Total fund balances for governmental funds at December 31, 2021  |                    | \$ 6,587,140          |
| 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   | \$ 908,029         |                       |
| Construction in progress   | 1,968,557          |                       |
| Buildings, net of \$1,966,058 accumulated depreciation   | 2,380,652          |                       |
| Infrastructure, net of \$29,437,816 accumulated depreciation   | 5,203,533          |                       |
| Equipment, furniture, and fixtures net of \$4,911,185 accumulated depreciation   | 1,835,110          |                       |
| Improvements other than buildings, net of \$15,682,760 accumulated depreciation  | <u>8,735,956</u>   | 21,031,837            |
| Some liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Those liabilities consist of:                     |                    |                       |
| Bonds payable  | (4,830,000)        |                       |
| Capital lease payable  | (55,013)           |                       |
| Compensated absences   | (669,190)          |                       |
| OPEB obligations   | (17,218,913)       |                       |
| Net pension liability  | <u>(5,989,175)</u> | (28,762,291)          |
| Net deferred outflows and deferred inflows of resources related to OPEB are not due and payable in the current period expenditures and therefore are not reported in the funds |                    | (392,554)             |
| Net deferred outflows and deferred inflows of resources related to pensions are not available to pay current period expenditures and therefore are not reported in the funds   |                    | (527,054)             |
| Net position of the Internal Service Funds   |                    | <u>(121,176)</u>      |
| Total net position (deficit) of governmental activities at December 31, 2021   |                    | <u>\$ (2,184,098)</u> |

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

CITY OF ABBEVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances –  
 Governmental Funds  
 Year Ended December 31, 2021  
 With Comparative Totals for the Year Ended December 31, 2020

|   | General<br>Fund     | Sales Tax<br>Fund   | Airport<br>Improvement<br>Fund | Comeaux Park<br>Renovation<br>Fund | Other<br>Governmental<br>Funds | Totals<br>(Memorandum Only) |                     |
|---|---------------------|---------------------|--------------------------------|------------------------------------|--------------------------------|-----------------------------|---------------------|
|   |                     |                     |                                |                                    |                                | 2021                        | 2020                |
| <b>Revenues:</b>  |                     |                     |                                |                                    |                                |                             |                     |
| Taxes   | \$ 367,553          | \$ 5,768,653        | \$ -                           | \$ -                               | \$ 84,703                      | \$ 6,220,909                | \$ 5,701,370        |
| Licenses and permits  | 609,576             | -                   | -                              | -                                  | -                              | 609,576                     | 595,589             |
| Intergovernmental   | 2,379,014           | 453,822             | 2,046,190                      | -                                  | 358,374                        | 5,237,400                   | 1,046,772           |
| Fines and forfeitures   | 56,981              | -                   | -                              | -                                  | -                              | 56,981                      | 59,325              |
| Miscellaneous   | 448,439             | 17,620              | -                              | -                                  | 561                            | 466,620                     | 473,125             |
| Total revenues  | <u>3,861,563</u>    | <u>6,240,095</u>    | <u>2,046,190</u>               | <u>-</u>                           | <u>443,638</u>                 | <u>12,591,486</u>           | <u>7,876,181</u>    |
| <b>Expenditures:</b>  |                     |                     |                                |                                    |                                |                             |                     |
| <b>Current -</b>  |                     |                     |                                |                                    |                                |                             |                     |
| General government  | 1,948,825           | 47,677              | -                              | 29,711                             | 246,137                        | 2,272,350                   | 1,778,251           |
| <b>Public safety:</b>   |                     |                     |                                |                                    |                                |                             |                     |
| Police  | 3,570,692           | 41,999              | -                              | -                                  | -                              | 3,612,691                   | 3,501,009           |
| Fire  | 4,093,757           | 40,742              | -                              | -                                  | 9,076                          | 4,143,575                   | 3,885,497           |
| Highways and streets  | 1,238,645           | 143,376             | -                              | -                                  | -                              | 1,382,021                   | 1,285,074           |
| Culture and recreation  | 448,262             | 48,684              | -                              | -                                  | -                              | 496,946                     | 406,383             |
| Capital outlay  | -                   | 1,164,883           | 2,046,190                      | 1,548,975                          | 8,415                          | 4,768,463                   | 1,414,308           |
| <b>Debt service -</b>   |                     |                     |                                |                                    |                                |                             |                     |
| Principal retirement  | -                   | 42,794              | -                              | -                                  | 714,000                        | 756,794                     | 742,903             |
| Interest and fiscal charges   | -                   | 6,109               | -                              | -                                  | 50,151                         | 56,260                      | 65,959              |
| Total expenditures  | <u>11,300,181</u>   | <u>1,536,264</u>    | <u>2,046,190</u>               | <u>1,578,686</u>                   | <u>1,027,779</u>               | <u>17,489,100</u>           | <u>13,079,384</u>   |
| Excess (deficiency) of revenues<br>over expenditures  | <u>(7,438,618)</u>  | <u>4,703,831</u>    | <u>-</u>                       | <u>(1,578,686)</u>                 | <u>(584,141)</u>               | <u>(4,897,614)</u>          | <u>(5,203,203)</u>  |
| <b>Other financing sources (uses):</b>  |                     |                     |                                |                                    |                                |                             |                     |
| Proceeds from capital lease   | -                   | -                   | -                              | -                                  | -                              | -                           | 146,710             |
| Proceeds from bond  | -                   | -                   | -                              | 3,000,000                          | -                              | 3,000,000                   | -                   |
| Transfers in  | 9,641,163           | 56,335              | -                              | -                                  | 799,537                        | 10,497,035                  | 9,742,036           |
| Transfers out   | <u>(91,520)</u>     | <u>(4,459,348)</u>  | <u>-</u>                       | <u>-</u>                           | <u>(228,581)</u>               | <u>(4,779,449)</u>          | <u>(4,272,706)</u>  |
| Total other financing sources (uses)  | <u>9,549,643</u>    | <u>(4,403,013)</u>  | <u>-</u>                       | <u>3,000,000</u>                   | <u>570,956</u>                 | <u>8,717,586</u>            | <u>5,616,040</u>    |
| Excess (deficiency) of revenues<br>and other financing sources<br>over expenditures and other<br>financing uses | 2,111,025           | 300,818             | -                              | 1,421,314                          | (13,185)                       | 3,819,972                   | 412,837             |
| Fund balances, beginning  | <u>348,706</u>      | <u>1,625,867</u>    | <u>-</u>                       | <u>-</u>                           | <u>792,595</u>                 | <u>2,767,168</u>            | <u>2,354,331</u>    |
| Fund balances, ending   | <u>\$ 2,459,731</u> | <u>\$ 1,926,685</u> | <u>\$ -</u>                    | <u>\$ 1,421,314</u>                | <u>\$ 779,410</u>              | <u>\$ 6,587,140</u>         | <u>\$ 2,767,168</u> |

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

CITY OF ABBEVILLE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended December 31, 2021

|   |                    |                     |
|---|--------------------|---------------------|
| Total net changes in fund balances at December 31, 2021 per Statement of Revenues, Expenditures and Changes in Fund Balances  |                    | \$ 3,819,972        |
| 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   | \$ 4,768,463       |                     |
| Depreciation expense for the year ended December 31, 2021   | <u>(1,653,288)</u> | 3,115,175           |
| Loss on disposal of fixed asset   |                    | (4,641)             |
| The repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. |                    |                     |
| Bonds payable   |                    | 714,000             |
| Capital lease payable   |                    | 42,794              |
| Proceeds from debt issuance on bond   |                    | (3,000,000)         |
| Net increase (decrease) of the Self-Insurance Internal Service Fund   |                    | (148,705)           |
| Excess (deficiency) of compensated absences used over compensated absences earned   |                    | 25,574              |
| OPEB benefits (expenses) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as benefits (expenditures) in governmental funds  |                    | (361,051)           |
| Net effect of pension liability recognition   |                    | <u>860,484</u>      |
| Total changes in net position at December 31, 2021 per Statement of Activities  |                    | <u>\$ 5,063,602</u> |

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



CITY OF ABBEVILLE, LOUISIANA

Comparative Statement of Net Position  
Proprietary Funds  
December 31, 2021 and 2020

|  | Business-type Activities -<br>Enterprise Fund |                     | Governmental Activities -<br>Internal Service Funds |                  |
|--|---|---------------------|---|------------------|
|  | 2021  | 2020                | 2021  | 2020             |
| ASSETS   |   |                     |   |                  |
| Current assets:                                  |   |                     |   |                  |
| Cash and interest-bearing deposits               | \$ 1,472,796                                  | \$ 1,316,962        | \$ 94,273   | \$ 153,084       |
| Receivables:                                     |   |                     |   |                  |
| Accounts   | 1,031,793                                     | 1,059,554           | -   | -                |
| Unbilled utility receivables                     | 1,023,124                                     | 775,020             | -   | -                |
| Due from other governmental units                | 927,272                                       | 950,042             | -   | -                |
| Due from other funds                             | -   | -                   | 60,000  | 60,000           |
| Inventory - materials and supplies, at cost      | <u>296,000</u>                                | <u>285,466</u>      | <u>-</u>  | <u>-</u>         |
| Total current assets                             | <u>4,750,985</u>                              | <u>4,387,044</u>    | <u>154,273</u>                                      | <u>213,084</u>   |
| Noncurrent assets:                               |   |                     |   |                  |
| Restricted assets -                              |   |                     |   |                  |
| Cash and interest-bearing deposits               | 1,040,968                                     | 1,003,891           | -   | -                |
| Capital assets, net of accumulated depreciation  | <u>11,560,814</u>                             | <u>12,439,031</u>   | <u>-</u>  | <u>-</u>         |
| Total noncurrent assets                          | <u>12,601,782</u>                             | <u>13,442,922</u>   | <u>-</u>  | <u>-</u>         |
| Total assets                                     | <u>17,352,767</u>                             | <u>17,829,966</u>   | <u>154,273</u>                                      | <u>213,084</u>   |
| DEFERRED OUTFLOWS OF RESOURCES                   |   |                     |   |                  |
| Deferred outflows related to OPEB                | 797,498                                       | 880,349             | -   | -                |
| Deferred outflows related to pension liabilities | <u>246,872</u>                                | <u>391,154</u>      | <u>-</u>  | <u>-</u>         |
|  | <u>1,044,370</u>                              | <u>1,271,503</u>    | <u>-</u>  | <u>-</u>         |
| LIABILITIES                                      |   |                     |   |                  |
| Current liabilities:                             |   |                     |   |                  |
| Accounts payable                                 | 533,179                                       | 740,159             | 275,449   | 185,555          |
| Accrued salaries payable                         | 55,191  | 39,704              | -   | -                |
| Other accrued liabilities                        | 26,713  | 25,182              | -   | -                |
| Due to other funds                               | <u>15,000</u>                                 | <u>15,000</u>       | <u>-</u>  | <u>-</u>         |
| Total current liabilities                        | <u>630,083</u>                                | <u>820,045</u>      | <u>275,449</u>                                      | <u>185,555</u>   |
| Noncurrent liabilities:                          |   |                     |   |                  |
| Customers' deposits                              | 1,040,968                                     | 1,003,891           | -   | -                |
| OPEB obligations                                 | 5,739,638                                     | 5,685,176           | -   | -                |
| Net pension liability                            | <u>1,123,413</u>                              | <u>1,661,886</u>    | <u>-</u>  | <u>-</u>         |
| Total noncurrent liabilities                     | <u>7,904,019</u>                              | <u>8,350,953</u>    | <u>-</u>  | <u>-</u>         |
| Total liabilities                                | <u>8,534,102</u>                              | <u>9,170,998</u>    | <u>275,449</u>                                      | <u>185,555</u>   |
| DEFERRED INFLOWS OF RESOURCES                    |   |                     |   |                  |
| Deferred inflows related to OPEB                 | 928,349                                       | 945,312             | -   | -                |
| Deferred inflows related to pension liabilities  | <u>349,951</u>                                | <u>43,413</u>       | <u>-</u>  | <u>-</u>         |
|  | <u>1,278,300</u>                              | <u>988,725</u>      | <u>-</u>  | <u>-</u>         |
| NET POSITION                                     |   |                     |   |                  |
| Net investment in capital assets                 | 11,560,814                                    | 12,439,031          | -   | -                |
| Unrestricted                                     | <u>(2,976,079)</u>                            | <u>(3,497,285)</u>  | <u>(121,176)</u>                                    | <u>27,529</u>    |
| Total net position                               | <u>\$ 8,584,735</u>                           | <u>\$ 8,941,746</u> | <u>\$ (121,176)</u>                                 | <u>\$ 27,529</u> |

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

CITY OF ABBEVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position  
 Proprietary Funds  
 Years Ended December 31, 2021 and 2020

|   | Business-type Activities-<br>Enterprise Fund |                     | Governmental Activities -<br>Internal Service Funds |                  |
|---|--|---------------------|---|------------------|
|   | 2021   | 2020                | 2021  | 2020             |
| Operating revenues:                                 |  |                     |   |                  |
| Charges for services                                | \$ 16,278,102                                | \$ 15,811,118       | \$ 3,012,411  | \$ 2,297,638     |
| Other   | <u>380,892</u>                               | <u>272,989</u>      | <u>25,339</u>                                       | <u>148,378</u>   |
| Total operating revenues                            | <u>16,658,994</u>                            | <u>16,084,107</u>   | <u>3,037,750</u>                                    | <u>2,446,016</u> |
| Operating expenses:                                 |  |                     |   |                  |
| Electric department                                 | 8,051,286                                    | 8,637,303           | -   | -                |
| Water department                                    | 1,607,807                                    | 1,587,850           | -   | -                |
| Sewerage department                                 | 1,543,089                                    | 1,418,425           | -   | -                |
| Depreciation  | 1,101,791                                    | 1,142,644           | -   | -                |
| Self insurance expenses                             | <u>-</u>                                     | <u>-</u>            | <u>3,186,526</u>                                    | <u>2,510,707</u> |
| Total operating expenses                            | <u>12,303,973</u>                            | <u>12,786,222</u>   | <u>3,186,526</u>                                    | <u>2,510,707</u> |
| Operating income (loss)                             | <u>4,355,021</u>                             | <u>3,297,885</u>    | <u>(148,776)</u>                                    | <u>(64,691)</u>  |
| Nonoperating revenues:                              |  |                     |   |                  |
| Interest income                                     | 6,367  | 20,723              | 71  | 243              |
| Miscellaneous                                       | 648,248                                      | -                   | -   | -                |
| Grant revenues                                      | <u>350,939</u>                               | <u>995,325</u>      | <u>-</u>  | <u>-</u>         |
| Total nonoperating revenues                         | <u>1,005,554</u>                             | <u>1,016,048</u>    | <u>71</u>   | <u>243</u>       |
| Income (loss) before contributions<br>and transfers | <u>5,360,575</u>                             | <u>4,313,933</u>    | <u>(148,705)</u>                                    | <u>(64,448)</u>  |
| Transfers in (out):                                 |  |                     |   |                  |
| Transfers in  | 814,406                                      | 604,442             | -   | -                |
| Transfers out                                       | <u>(6,531,992)</u>                           | <u>(6,073,772)</u>  | <u>-</u>  | <u>-</u>         |
| Total transfers in (out)                            | <u>(5,717,586)</u>                           | <u>(5,469,330)</u>  | <u>-</u>  | <u>-</u>         |
| Change in net position                              | (357,011)                                    | (1,155,397)         | (148,705)   | (64,448)         |
| Net position, beginning                             | <u>8,941,746</u>                             | <u>10,097,143</u>   | <u>27,529</u>                                       | <u>91,977</u>    |
| Net position, ending                                | <u>\$ 8,584,735</u>                          | <u>\$ 8,941,746</u> | <u>\$ (121,176)</u>                                 | <u>\$ 27,529</u> |

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

CITY OF ABBEVILLE, LOUISIANA

Comparative Statement of Cash Flows  
 Proprietary Funds  
 Years Ended December 31, 2021 and 2020

|   | Business-type Activities -<br>Enterprise Fund |                     | Governmental Activities -<br>Internal Service Funds |                   |
|---|---|---------------------|---|-------------------|
|   | 2021  | 2020                | 2021  | 2020              |
| Cash flows from operating activities:                                   |   |                     |   |                   |
| Receipts from customers   | \$ 16,057,759                                 | \$ 15,853,273       | \$ -  | \$ -              |
| Receipts from interfund services provided                               | -   | -                   | 3,012,411   | 2,297,638         |
| Payments to suppliers   | (8,582,167)                                   | (8,666,896)         | (3,096,632)   | (2,451,890)       |
| Payments to employees   | (2,787,814)                                   | (2,509,014)         | -   | -                 |
| Other receipts  | <u>380,892</u>                                | <u>272,989</u>      | <u>25,339</u>                                       | <u>148,378</u>    |
| Net cash provided (used)<br>by operating activities                     | <u>5,068,670</u>                              | <u>4,950,352</u>    | <u>(58,882)</u>                                     | <u>(5,874)</u>    |
| Cash flows from noncapital financing activities:                        |   |                     |   |                   |
| Transfers from other funds  | 814,406                                       | 604,442             | -   | -                 |
| Transfers to other funds  | <u>(6,531,992)</u>                            | <u>(6,073,772)</u>  | <u>-</u>  | <u>-</u>          |
| Net cash used by noncapital<br>financing activities                     | <u>(5,717,586)</u>                            | <u>(5,469,330)</u>  | <u>-</u>  | <u>-</u>          |
| Cash flows from capital and related financing activities:               |   |                     |   |                   |
| Net proceeds of meter deposits  | 37,077  | 4,971               | -   | -                 |
| Grants  | 1,021,957                                     | 45,283              | -   | -                 |
| Acquisition of property, plant and equipment                            | <u>(223,574)</u>                              | <u>(207,363)</u>    | <u>-</u>  | <u>-</u>          |
| Net cash provided (used) by capital<br>and related financing activities | <u>835,460</u>                                | <u>(157,109)</u>    | <u>-</u>  | <u>-</u>          |
| Cash flows from investing activities:                                   |   |                     |   |                   |
| Interest on investments   | <u>6,367</u>                                  | <u>20,723</u>       | <u>71</u>   | <u>243</u>        |
| Net cash provided by investing activities                               | <u>6,367</u>                                  | <u>20,723</u>       | <u>71</u>   | <u>243</u>        |
| Net increase (decrease) in cash<br>and cash equivalents                 | 192,911                                       | (655,364)           | (58,811)  | (5,631)           |
| Cash and cash equivalents, beginning of year                            | <u>2,320,853</u>                              | <u>2,976,217</u>    | <u>153,084</u>                                      | <u>158,715</u>    |
| Cash and cash equivalents, end of year                                  | <u>\$ 2,513,764</u>                           | <u>\$ 2,320,853</u> | <u>\$ 94,273</u>                                    | <u>\$ 153,084</u> |

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

CITY OF ABBEVILLE, LOUISIANA

Comparative Statement of Cash Flows  
 Proprietary Funds (Continued)  
 Years Ended December 31, 2021 and 2020

|   | Business-type Activities -<br>Enterprise Fund |                     | Governmental Activities -<br>Internal Service Funds |                   |
|---|---|---------------------|---|-------------------|
|   | 2021  | 2020                | 2021  | 2020              |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities:        |   |                     |   |                   |
| Operating income (loss)   | \$ 4,355,021                                  | \$ 3,297,885        | \$ (148,776)  | \$ (64,691)       |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |   |                     |   |                   |
| Depreciation  | 1,101,791                                     | 1,142,644           | -   | -                 |
| Changes in current assets and liabilities:  |   |                     |   |                   |
| (Increase) decrease in accounts receivable  | (220,343)                                     | 42,155              | -   | -                 |
| (Increase) decrease in other receivables  | -   | -                   | -   | -                 |
| (Increase) decrease in inventory  | (10,534)                                      | 40,054              | -   | -                 |
| Increase (decrease) in accounts payable   | (206,980)                                     | 192,856             | 89,894  | 58,817            |
| Increase (decrease) in accrued salaries payable   | 15,487  | 17,042              | -   | -                 |
| Increase (decrease) in other accrued liabilities  | 1,531   | 1,801               | -   | -                 |
| Increase (decrease) in due to other funds   | -   | -                   | -   | -                 |
| Increase (decrease) in OPEB obligations   | 120,350                                       | 148,955             | -   | -                 |
| Increase (decrease) in pension obligations  | <u>(87,653)</u>                               | <u>66,960</u>       | <u>-</u>  | <u>-</u>          |
| Net cash provided (used) by operating activities  | <u>\$ 5,068,670</u>                           | <u>\$ 4,950,352</u> | <u>\$ (58,882)</u>                                  | <u>\$ (5,874)</u> |
| Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:         |   |                     |   |                   |
| Cash and cash equivalents, beginning of year -  |   |                     |   |                   |
| Cash and interest-bearing deposits - unrestricted   | \$ 1,316,962                                  | \$ 1,977,297        | \$ 153,084  | \$ 158,715        |
| Cash and interest-bearing deposits - restricted   | <u>1,003,891</u>                              | <u>998,920</u>      | <u>-</u>  | <u>-</u>          |
| Total cash and cash equivalents   | <u>2,320,853</u>                              | <u>2,976,217</u>    | <u>153,084</u>                                      | <u>158,715</u>    |
| Cash and cash equivalents, end of year -  |   |                     |   |                   |
| Cash and interest-bearing deposits - unrestricted   | 1,472,796                                     | 1,316,962           | 94,273  | 153,084           |
| Cash and interest-bearing deposits - restricted   | <u>1,040,968</u>                              | <u>1,003,891</u>    | <u>-</u>  | <u>-</u>          |
| Total cash and cash equivalents   | <u>2,513,764</u>                              | <u>2,320,853</u>    | <u>94,273</u>                                       | <u>153,084</u>    |
| Net increase (decrease) in cash and cash equivalents  | <u>\$ 192,911</u>                             | <u>\$ (655,364)</u> | <u>\$ (58,811)</u>                                  | <u>\$ (5,631)</u> |

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

## CITY OF ABBEVILLE, LOUISIANA

### Notes to Basic Financial Statements

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Abbeville (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

##### Financial Reporting Entity

The City was incorporated on March 13, 1850, by a special charter and operates under a Mayor-Council form of government. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

These financial statements present only the financial activity of the City of Abbeville, the primary government. They do not include the data of the component units necessary for reporting in conformity with generally accepted accounting principles.

##### Basis of Presentation

###### Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the City of Abbeville, the primary government, as a whole. They include all funds of the reporting entity, except fiduciary funds. 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 City's internal service funds are a governmental activity. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

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 ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. Fund financial statements report detailed information about the City.

The various funds of the City are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major 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, liabilities, 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, liabilities, 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 -

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.

The Sales Tax special revenue fund accounts for the proceeds of a one and one-quarter percent sales and use tax that is legally restricted to expenditures for specific purposes.

The Airport improvement fund accounts for improvement projects at the Abbeville Chris Crusta Memorial Airport. Program expenditures are generally funded by federal and state grants.

The Comeaux Park Renovation Fund accounts for improvement projects at the Comeaux Park. Program expenditures are funded by 2021 Revenue Bond proceeds.

Additionally, the City reports the following fund types:

Special revenue funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt service funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital projects funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Funds -

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. The following are the City's proprietary fund types:

Enterprise funds

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's enterprise fund is the Utility Fund.

Internal service funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The City's internal service fund is the Employee Health Insurance Fund.

Measurement Focus/Basis of Accounting

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

Measurement Focus

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

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, and liabilities 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.

Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the City’s taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the City’s general revenues.



CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation of indirect expenses

The City reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities

Assets, Liabilities and Equity

Cash and interest-bearing deposits

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. 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 when purchased.

Investments

Under state law the City may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The City may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

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 ad valorem and sales and use taxes. Business-type activities report customer’s utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable.

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable is stated at cost, net of any allowance for doubtful accounts. The City maintains allowances for doubtful accounts for estimated losses resulting from the failure of customers to make required payments. The City reviews the accounts receivable on a periodic basis and makes allowances where there is doubt as to the collectability of individual balances. In evaluating the collectability of individual receivable balances, the City considers many factors, including the age of the balance, the customer's payment history, its current credit-worthiness and current economic trends. Based on the management's evaluation of each customer, the City considers all remaining accounts receivable to be fully collectible and, therefore, did not provide for an allowance for doubtful accounts.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items.

Inventories

Inventory of the Utility Fund consists of supplies and parts that are valued at weighted average cost. Inventory of the General Fund consists of gas, diesel and oil, at the motor pool barn, that is valued at weighted average cost.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$1,000 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 January 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

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

|                                   |             |
|-----------------------------------|-------------|
| Buildings                         | 40-50 years |
| Infrastructure                    | 20-50 years |
| Equipment, furniture and fixtures | 5-10 years  |
| Utility system and improvements   | 5-40 years  |

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the utility system customer's meter deposits and, when applicable, certain bond proceeds designated for electric, water and sewer system improvements.

Compensated Absences

All employees in the classified service shall receive one day of sick leave for each calendar month of service up to a maximum of 180 days. On December 31 of each year the unused accumulated sick leave earned by an employee shall be carried forward to the succeeding year. All accumulated sick leave shall be forfeited upon termination of employment, except in the case of retirement. Retirees are compensated for any unused sick leave at the hourly rate being earned by the employee at retirement.

For all employees, up to 1/3 of the earned, but unused, vacation leave shall be credited to the employee's sick leave account. Any remaining vacation leave shall be carried to the following year. Upon termination of employment, the employee shall be paid for unused vacation. In case of death of the employee, unused vacation shall be paid to the beneficiary of the employee.

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

Net other post-employment benefit obligations

In adopting the requirements of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post – Employment Benefits Other Than Pensions*, during the year ended December 31, 2021, the City recognizes the cost of post-employment healthcare benefits in the year when employee services are received, recognizes a liability for OPEB obligations, known as the net OPEB liability, on the Statement of Net Position, and provides information useful in assessing potential demands on the City's future cash flows. Changes in the net OPEB liability will be immediately recognized as OPEB expense on the Statement of Activities or reported as deferred inflows/outflows of resources depending upon the nature of the change.

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 are reported as liabilities in the government-wide statements. 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.

Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) laws through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net assets that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified inventory and prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Restricted: This classification includes amounts for which the constraints that have been placed on the use of resources are either:
  - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
  - Imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the members of the City Council of Abbeville, which is the entity's highest level of decision-making authority. These amounts cannot be used for any other purposes unless the Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City of Abbeville did not have any committed resources as of year-end.
- Assigned: This classification includes amounts that are constrained by the City of Abbeville's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the City Council of Abbeville. The City has assigned resources in the debt service funds for the payment of principal and interest on outstanding debt.
- Unassigned: This classification is the residual fund balance of the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the City of Abbeville will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the City of Abbeville reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

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.

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 10   |
| Ad valorem tax (1.37 mills)  | City sewer facilities   |
| VPPJ fire prevention revenue | Construction, acquisition, improvement, and maintenance of fire department facilities |

Budgets and Budgetary Accounting

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

1. The Mayor prepares a proposed operating budget for the fiscal year and submits it to the City Council not later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. 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 an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the City Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the general fund and each special revenue fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the City Council.

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.

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2021, the City has cash and interest-bearing deposits (book balances) totaling \$9,022,950 as follows:

|                       | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>        |
|-----------------------|------------------------------------|-------------------------------------|---------------------|
| Demand deposits       | \$ 139,699                         | \$ 13,405                           | \$ 153,104          |
| Money market accounts | 6,269,487                          | 1,600,359                           | 7,869,846           |
| Time deposits         | <u>100,000</u>                     | <u>900,000</u>                      | <u>1,000,000</u>    |
|                       | <u>\$ 6,509,186</u>                | <u>\$ 2,513,764</u>                 | <u>\$ 9,022,950</u> |

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS (CONTINUED)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The City does not have a policy for custodial credit risk. Deposit balances (bank balances) of \$9,533,747 at December 31, 2021, are secured as follows:

|                                 |                      |
|---------------------------------|----------------------|
| Federal deposit insurance       | \$ 1,000,000         |
| Pledged securities (Category 3) | <u>11,716,842</u>    |
| Total                           | <u>\$ 12,716,842</u> |

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized (Category 3) 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.

NOTE 3 RECEIVABLES

Receivables at December 31, 2021 totaling \$2,847,113 consist of the following:

|                  | General           | Sales Tax         | Other<br>Governmental | Utility             | Total               |
|------------------|-------------------|-------------------|-----------------------|---------------------|---------------------|
| Accounts         | \$ -              | \$ -              | \$ -                  | \$ 1,031,793        | \$ 1,031,793        |
| Unbilled utility | -                 | -                 | -                     | 1,023,124           | 1,023,124           |
| Taxes:           |                   |                   |                       |                     |                     |
| Ad valorem       | 52,602            | -                 | 13,184                | -                   | 65,786              |
| Sales            | -                 | 501,014           | -                     | -                   | 501,014             |
| Franchise fees   | 158,972           | -                 | -                     | -                   | 158,972             |
| Other            | <u>31,010</u>     | <u>35,414</u>     | <u>-</u>              | <u>-</u>            | <u>66,424</u>       |
| Totals           | <u>\$ 242,584</u> | <u>\$ 536,428</u> | <u>\$ 13,184</u>      | <u>\$ 2,054,917</u> | <u>\$ 2,847,113</u> |



CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 4 DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consisted of the following at December 31, 2021:

|  |                     |
|--|---------------------|
| City Court of Abbeville for court fines and witness fees | \$ 1,946            |
| Federal grant for LCDBG improvements                     | 18,516              |
| FEMA   | 927,272             |
| State and local grants for airport improvements          | 123,082             |
| State of Louisiana for beer taxes                        | 5,633               |
| Vermilion Parish School Board for resource officer       | <u>5,018</u>        |
| Total  | <u>\$ 1,081,467</u> |

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

|   | Balance<br>12/31/20  | Additions           | Deletions         | Balance<br>12/31/21  |
|---|----------------------|---------------------|-------------------|----------------------|
| Governmental activities:                        |                      |                     |                   |                      |
| Capital assets not being depreciated:           |                      |                     |                   |                      |
| Land  | \$ 898,029           | \$ 10,000           | \$ -              | \$ 908,029           |
| Construction in progress                        | 144,257              | 1,968,557           | 144,257           | 1,968,557            |
| Other capital assets:                           |                      |                     |                   |                      |
| Buildings                                       | 4,209,940            | 136,770             | -                 | 4,346,710            |
| Infrastructure                                  | 34,495,262           | 146,087             | -                 | 34,641,349           |
| Equipment, furniture and fixtures               | 6,662,764            | 111,381             | 27,850            | 6,746,295            |
| Improvements other than buildings               | <u>21,878,791</u>    | <u>2,539,925</u>    | <u>-</u>          | <u>24,418,716</u>    |
| Total   | <u>68,289,043</u>    | <u>4,912,720</u>    | <u>172,107</u>    | <u>73,029,656</u>    |
| Less accumulated depreciation                   |                      |                     |                   |                      |
| Buildings                                       | \$ 1,871,610         | \$ 94,448           | \$ -              | \$ 1,966,058         |
| Infrastructure                                  | 28,727,599           | 710,217             | -                 | 29,437,816           |
| Equipment, furniture and fixtures               | 4,542,734            | 391,660             | 23,209            | 4,911,185            |
| Improvements other than buildings               | <u>15,225,797</u>    | <u>456,963</u>      | <u>-</u>          | <u>15,682,760</u>    |
| Total accumulated depreciation                  | <u>50,367,740</u>    | <u>1,653,288</u>    | <u>23,209</u>     | <u>51,997,819</u>    |
| Governmental activities,<br>Capital assets, net | <u>\$ 17,921,303</u> | <u>\$ 3,259,432</u> | <u>\$ 148,898</u> | <u>\$ 21,031,837</u> |

(continued)

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 5 CAPITAL ASSETS (CONTINUED)

|  | Balance<br>12/31/2020 | Additions           | Deletions   | Balance<br>12/31/2021 |
|--|-----------------------|---------------------|-------------|-----------------------|
| Business-type activities:                        |                       |                     |             |                       |
| Capital assets not being depreciated:            |                       |                     |             |                       |
| Land   | \$ 70,929             | \$ -                | \$ -        | \$ 70,929             |
| Construction in progress                         | -                     | -                   | -           | -                     |
| Other capital assets:                            |                       |                     |             |                       |
| Electric system                                  | 13,241,809            | 41,311              | -           | 13,283,120            |
| Water system                                     | 10,737,684            | -                   | -           | 10,737,684            |
| Sewer system                                     | 19,593,042            | 182,263             | -           | 19,775,305            |
| Building, machinery and equipment                | <u>1,918,920</u>      | <u>-</u>            | <u>-</u>    | <u>1,918,920</u>      |
| Total  | <u>45,562,384</u>     | <u>223,574</u>      | <u>-</u>    | <u>45,785,958</u>     |
| Less accumulated depreciation                    |                       |                     |             |                       |
| Electric system                                  | 10,265,454            | 350,434             | -           | 10,615,888            |
| Water system                                     | 7,918,567             | 237,534             | -           | 8,156,101             |
| Sewer system                                     | 13,200,211            | 462,897             | -           | 13,663,108            |
| Building, machinery and equipment                | <u>1,739,121</u>      | <u>50,926</u>       | <u>-</u>    | <u>1,790,047</u>      |
| Total accumulated depreciation                   | <u>33,123,353</u>     | <u>1,101,791</u>    | <u>-</u>    | <u>34,225,144</u>     |
| Business-type activities,<br>Capital assets, net | <u>\$ 12,439,031</u>  | <u>\$ (878,217)</u> | <u>\$ -</u> | <u>\$ 11,560,814</u>  |

Depreciation expense was charged to governmental activities as follows:

|                            |                     |
|----------------------------|---------------------|
| General government         | \$ 321,287          |
| Police                     | 120,804             |
| Fire                       | 255,182             |
| Streets                    | 803,495             |
| Culture and recreation     | <u>152,520</u>      |
| Total depreciation expense | <u>\$ 1,653,288</u> |

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

|          |                     |
|----------|---------------------|
| Electric | \$ 370,804          |
| Water    | 252,812             |
| Sewer    | <u>478,175</u>      |
|          | <u>\$ 1,101,791</u> |

NOTE 6 AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in September or October and are actually billed to taxpayers in November. Billed taxes become delinquent on January 1 of the following year. The City bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables.

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 6 AD VALOREM TAXES (CONTINUED)

For the year ended December 31, 2021, taxes of 6.85 mills were levied on property with assessed valuations totaling \$62,758,612 and were dedicated as follows:

|                            |                   |
|----------------------------|-------------------|
| General corporate purposes | 5.48 mills        |
| Public improvement (sewer) | <u>1.37 mills</u> |
| Total                      | <u>6.85 mills</u> |

Total taxes levied were \$429,897. Taxes receivable at December 31, 2021 were \$65,786.

NOTE 7 ACCOUNTS, SALARIES, AND OTHER PAYABLES

The accounts, salaries, and other payables consisted of the following at December 31, 2021:

|                              | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>        |
|------------------------------|------------------------------------|-------------------------------------|---------------------|
| Accounts payable             | \$ 538,200                         | \$ 533,179                          | \$ 1,071,379        |
| Accrued salaries             | 52,502                             | 55,191                              | 107,693             |
| Internal service fund claims | 275,449                            | -                                   | 275,449             |
| Other liabilities            | <u>143,708</u>                     | <u>26,713</u>                       | <u>170,421</u>      |
| Totals                       | <u>\$ 1,009,859</u>                | <u>\$ 615,083</u>                   | <u>\$ 1,624,942</u> |

NOTE 8 CHANGES IN LONG TERM DEBT

The following is a summary of governmental activities bonds, business-type activities bonds, capital lease obligations, and compensated absences transactions of the City for the year ended December 31, 2021:

|                            | <u>General<br/>Obligations</u> | <u>Capital lease<br/>Obligations</u> | <u>Compensated<br/>Absences</u> | <u>Total</u>       |
|----------------------------|--------------------------------|--------------------------------------|---------------------------------|--------------------|
| Long-term debt, 12/31/2020 | \$2,544,000                    | \$ 97,807                            | \$ 694,764                      | \$3,336,571        |
| Additions                  | 3,000,000                      | -                                    | -                               | 3,000,000          |
| Retirements                | <u>(714,000)</u>               | <u>(42,794)</u>                      | <u>(25,574)</u>                 | <u>(782,368)</u>   |
| Long-term debt, 12/31/2021 | <u>\$4,830,000</u>             | <u>\$ 55,013</u>                     | <u>\$ 669,190</u>               | <u>\$5,554,203</u> |

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 8 CHANGES IN LONG TERM DEBT (CONTINUED)

Governmental activities debt at December 31, 2021 is comprised of the following:

|   |                     |
|---|---------------------|
| Revenue Refunding Bonds, Series 2012, due in annual installments of \$362,000 - \$474,000 through March 1, 2022; bearing interest at 0.50 - 2.25 percent per annum, secured by excess annual revenue. | \$ 474,000          |
| Sales Tax Revenue Bonds, Series 2014, due in annual installments of \$157,000 - \$198,000 through May 1, 2026; bearing interest at 2.33 percent per annum, secured by annual sales tax revenue.       | 945,000             |
| Revenue Bonds, Series 2016, due in annual installments of \$12,000 - \$86,000 through March 1, 2026; bearing interest at 1.00 - 2.25 percent per annum, secured by excess annual revenue.             | 411,000             |
| Revenue Bonds, Series 2021, due in annual installments of \$310,000 - \$355,000 through March 1, 2031; bearing interest at 1.75 percent per annum, secured by excess annual revenue.                  | <u>3,000,000</u>    |
| Total   | <u>\$ 4,830,000</u> |

The debt service requirements for these obligations are as follows:

| Year Ending<br><u>December 31,</u> | <u>Governmental Activities</u> |                          |
|------------------------------------|--------------------------------|--------------------------|
|                                    | <u>Bond<br/>Principal</u>      | <u>Bond<br/>Interest</u> |
| 2022                               | \$ 733,000                     | \$ 77,801                |
| 2023                               | 575,000                        | 72,027                   |
| 2024                               | 586,000                        | 60,378                   |
| 2025                               | 597,000                        | 48,504                   |
| 2026                               | 614,000                        | 36,349                   |
| Thereafter                         | <u>1,725,000</u>               | <u>76,343</u>            |
| Total                              | <u>\$ 4,830,000</u>            | <u>\$ 371,402</u>        |

NOTE 9 EMPLOYEE RETIREMENT

Plan Descriptions

The City participates in three state-administered cost-sharing multiple-employer retirement systems, which together cover substantially all of the City's full-time employees: Municipal Employees' Retirement System (MERS), Municipal Police Employees' Retirement System (MPERS), and Firefighters' Retirement System (FRS) of the State of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The systems issue annual, publicly-available financial reports that include financial statements and required supplementary information for the systems. Although separately administered by their respective boards of trustees, these systems are established and regulated by acts of the Louisiana Legislature with respect to membership and contribution requirements, plan benefits, and actuarial determination of funding requirements as provided by the state constitution.

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 9 EMPLOYEE RETIREMENT (CONTINUED)

Additional disclosures with respect to GASB 68 to the City's participation in these systems are provided below. The reports for MERS, MPERS, and FRS may be obtained at [www.mersla.com](http://www.mersla.com), [www.lampers.org](http://www.lampers.org), and [www.lafirefightersret.com](http://www.lafirefightersret.com) respectively. The Municipal Employees' Retirement System (MERS) issues a publicly available financial report, which may be obtained by writing to that system at 9737 Office Park Boulevard, Baton Rouge, LA 70809. The financial report for the Municipal Police Employees' Retirement System (MPERS) may be obtained by writing to that system at 8401 United Plaza Boulevard Suite 270, Baton Rouge, LA 70809-7017. The financial report for the Firefighters' Retirement System (FRS) may be obtained by writing to that system at P.O. Box 94095, Capitol Station, Baton Rouge, LA 70804-9095.

Plan Description - MERS

MERS was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana and is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City of Abbeville are members of Plan B. All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in MERS.

Plan Description – MPERS

All full-time police department employees engaged in law enforcement are required to participate in MPERS providing he or she does not have to pay social security and providing he or she meets the statutory criteria. MPERS provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through MPERS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

Plan Description – FRS

The Firefighters' Retirement System (FRS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is a condition of employment for any full-time firefighters who earn at least \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. The System provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 9 EMPLOYEE RETIREMENT (CONTINUED)

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment.

No person who has attained age 50 or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of 18 years shall become a member of the System.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

***Benefits Provided***

Retirement Benefits – MERS (Plan B)

Members with ten years of creditable service may retire at age sixty; members with thirty years of service may retire at any age. The monthly retirement allowance is equal to two percent of the member's final compensation multiplied by his years of creditable service; elected officials receive an additional one-half percent of final compensation for each year of such elected service.

Employees whose first employment making them eligible for membership occurs on or after January 1, 2013 will become members of Tier 2. Normal retirement eligibility in Tier 2 is at age 67 with seven years of service credit, at age 62 with ten years of service credit, or age 55 with thirty years of service credit. Members are eligible for an actuarially reduced early retirement at twenty-five years of service credit. Retirement benefits are based on a 2% accrual rate. Employee contributions are set by the Board of Trustees within a range of 4% to 6%.

Final compensation is the employee's average salary over the 36 consecutive or joined months that produce the highest average for a member whose first employment made him or her eligible for membership in the system on or before June 30, 2006. Final compensation is the employee's average salary over the 60 consecutive or joined months that produce the

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 9 EMPLOYEE RETIREMENT (CONTINUED)

highest average for a member whose first employment made him or her eligible for membership in the system after June 30, 2006. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination.

Retirement Benefits – MPERS

Members of MPERS with membership beginning prior to January 1, 2013 are eligible for regular retirement after he or she has been a member of MPERS and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years of creditable service and is age 55. A member is eligible for early retirement after he or she has been a member of MPERS for 20 years of creditable service at any age with an actuarially reduced benefit. Members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third percent (3.33%) of the member's final compensation (employee's average salary over the 36 consecutive or joined months that produce the highest average) multiplied by the member's years of creditable service.

Members of MPERS with membership beginning on or after January 1, 2013 are eligible for regular retirement, early retirement, disability and survivor benefits based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he or she has been a member of MPERS and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he or she has been a member of MPERS and has 30 years of creditable service at any age, 25 years of creditable service at age 55 or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he or she has been a member of MPERS for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

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

In 1999, the State Legislature authorized MPERS to establish an Initial Benefit Option program. This is available to MPERS members who are eligible for regular retirement but have not participated in DROP. This program provides both a one-time single sum payment of up to 36 months of the regular monthly retirement benefit, plus a reduced monthly retirement benefit for life.

Retirement Benefits – FRS

All full-time firefighters for the City who are engaged in fire protection are eligible to participate in FRS. A member who has completed 20 years of creditable service, has been a member at least 1 year, and has reached the age of 50 is eligible for retirement. A member

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 9 EMPLOYEE RETIREMENT (CONTINUED)

with at least 12 years of service who has reached the age of 55 is eligible for retirement provided he has been a member for at least 1 year. Upon retirement the benefit amount is 3-1/3 percent of average final compensation multiplied by years of creditable service, not to exceed his average final compensation. Average final compensation is the member's average annual earned compensation for any period of 36 successive or joined months of service that produces the highest average. The system also provides death and disability benefits. Benefits are established by state statute.

Deferred Retirement Option

In lieu of terminating employment and accepting a service retirement allowance, any member of MERS who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. A MERS member may participate in DROP only once. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment, are credited to the MERS member's individual DROP account. Interest is earned when the member has completed DROP participation. Upon termination of employment prior to or at the end of the participation period, the member may receive a lump sum from the account or a true annuity based on the account balance. If employment is not terminated at the end of the three year DROP participation period, payments into the DROP account cease and the person resumes active contributing membership in MERS.

A member of MPERS is eligible to enter DROP when he or she is eligible for regular retirement based on the members' sub plan participation. At the entry date into DROP, employee and employer contributions cease. The amount deposited into the DROP account for MPERS members is equal to the benefit computed under the retirement plan elected by participant date of application. Interest is earned when the MPERS member has completed DROP participation.

Upon termination of employment prior to or at the end of the participation period, the MPERS member may receive a lump sum from the account or a true annuity based on the account balance.

A member of FRS may elect to participate in the deferred retirement option plan (DROP) for up to 36 months, after completing 20 years of creditable service and age 50 or 25 years at any age. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant



CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 9 EMPLOYEE RETIREMENT (CONTINUED)

retires. Effective June 16, 1999, members eligible to retire who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rates as the DROP account.

Disability Benefits

A member of MERS Plan B is eligible to retire and receive a disability benefit if he or she has at least 10 years of creditable service. Twenty years of creditable service are required in order for a member to have a vested disability benefit. A disabled member receives a normal retirement allowance if eligible under regular retirement provisions; if he is not eligible for a normal retirement allowance, he receives a disability benefit equal to the lesser of:

1. Thirty percent of his final average compensation or two percent of his final average compensation multiplied by his years of creditable service; whichever is greater; and
2. Two percent of his final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

A member of MPERS is eligible to retire and receive a disability benefit if he or she has been certified as disabled by the State Medical Disability Board. If the disability incurred is job-related, there is no minimum creditable service requirement. If the disability is non-job-related, a minimum of 10 years of creditable service is required if the member was employed on or after July 1, 2008. Members of MPERS employed prior to July 1, 2008 must have a minimum of 5 years of creditable service to be eligible to retire with disability benefits if the disability incurred is non-job-related. The disability benefit received by a MPERS member is equal to three percent of his or her final average compensation multiplied by years of creditable service (not less than 40%, nor more than 60% of final average compensation). At the time the disabled MPERS member reaches normal retirement age, he or she will have the option to continue to receive the disability retirement benefit or to receive his or her vested retirement benefit.

A member of FRS is eligible to retire and receive a disability benefit if he or she has been officially certified as disabled by the State Medical Disability Board. Any member totally disabled from injury in the line of duty, shall be paid, on a monthly basis, an annual pension of 60.0% of the average final compensation being received at the time of disability. Any member who has become disabled or incapacitated because of continued illness or as a result of any injury received, even though not in the line of duty, and who has 5 years of creditable service, but is not eligible for retirement under the provisions of R. S. 11:2256 may apply for retirement under the provisions of R. S. 11:2258 and shall be retired on 75.0% of the retirement salary to which he would be entitled under R. S. 11:2256 if he were otherwise eligible there under or 25.0% of the member's average salary, whichever is greater.

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 9 EMPLOYEE RETIREMENT (CONTINUED)

Any retired member or DROP plan participant who becomes disabled for any reason provided for by law shall be permitted to apply for conversion of a service retirement to a service connected disability retirement under R. S. 11:2258(B)(1)(e). Should a member who is on disability retirement die and leave a surviving spouse, the surviving spouse shall receive a benefit of \$200 per month. When the member takes disability retirement, he may, in addition, take an actuarially reduced benefit in which case the member's surviving spouse shall receive 50% of the disability benefit being paid immediately prior to the death of the disabled retiree. If the surviving spouse remarries prior to age 55, such benefits shall cease; however, the benefits shall resume upon subsequent divorce or death of the new spouse, and the approval of the board of trustees.

Survivor's Benefit

The surviving spouse of a MERS Plan B member who was eligible for normal retirement at the time of death receives an automatic option two benefit. The surviving spouse of a member with five or more years of creditable service and not eligible for normal retirement at the time of death receives either 30% of the member's final compensation payable to the spouse when they attain age 60 or an actuarial equivalent of 30% of the deceased member's final compensation, but not less than 15% of such final compensation. Survivor benefits are also payable to the surviving spouses of former members who have not withdrawn their accumulated contributions and who have at least twenty years of creditable service. The benefits payable are the actuarial equivalent of the Option 2 benefits that would have become payable to the surviving spouse at the time the former member would have begun receiving deferred normal retirement benefits, had the MERS Plan B member survived until that date, elected Option 2, and died at that time.

Survivor benefits for MPERS members are payable to the surviving spouse or surviving minor child/children of a deceased active contributing member or a deceased disability retiree. Survivor benefits are not payable to survivors of retirees receiving benefits under the provisions of early or normal service retirement. The maximum benefit for a surviving spouse of a MPERS member is equal to the regular retirement formula, regardless of age, but not less than 40% or more than 60% of the deceased member's final average compensation. There is no requirement for minimum years of creditable service.

If the MPERS member is killed in the line of duty, the surviving spouse shall receive a benefit equal to 100% of the deceased member's final average compensation, less any survivor benefits payable to a child or children. Each surviving minor child of the MPERS member will receive a benefit equal to 10% of deceased member's final average compensation or \$200 per month, whichever is greater. Benefits for a surviving child cease upon the child's attainment of age 18 or upon marriage, whichever occurs first. The benefit may continue after age 18 if the child meets certain educational or disability requirements. The surviving minor child may receive an increased benefit if there is no surviving spouse of the MPERS member.

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 9 EMPLOYEE RETIREMENT (CONTINUED)

Survivor benefits for FRS are payable to survivors of a deceased member who dies and is not eligible for retirement as follows. If any member is killed in the line of duty and leaves a surviving eligible spouse, the spouse is entitled to an annual benefit equal to two-thirds of the deceased member's final compensation. If any member dies from a cause not in the line of duty, the surviving spouse is entitled to an annual benefit equal to 3% of the deceased member's average final compensation multiplied by his total years of creditable service; however, in no event is the annual benefit less than 40% nor more than 60% of the deceased member's average final compensation. Children of the deceased member are entitled to the greater of \$200 per month or 10% of average final compensation (not to exceed 100% of average final compensation) until reaching the age of eighteen or until the age of twenty-two if enrolled full-time in an institution of higher learning, unless the surviving child is physically handicapped or mentally retarded in which case the benefit is payable regardless of age. If a deceased member dies leaving no surviving spouse, but at least one minor child, each child is entitled to receive forty percent of the deceased's average final compensation, not to exceed an aggregate of sixty percent of average final compensation.

Cost of Living Increases

MERS is authorized under state law to grant an annual cost of living adjustment to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit and may only be granted if sufficient funds are available. The cost of living increase must be paid from investment income in excess of normal requirements.

MPERS is authorized to provide annual cost of living adjustments to members who have been retired for at least one full fiscal year. The adjustment cannot exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors, and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. MPERS members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

The present value of future FRS retirement benefits are based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

Contributions

The MERS, MPERS, and FRS employer contribution rates are established annually under LRS 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the system's actuary. Each plan pays a separate actuarially-determined employer contribution rate. For January 1, 2021 through June 30, 2021, the employer contribution rates for MERS Plan B, MPERS, and FRS were 15.50%; 33.75%; and 32.25%, respectively. For July 1, 2021 through December 31, 2021, the employer contribution rates for MERS Plan B, MPERS, and FRS were 15.50%; 29.75%; and 33.75%, respectively. Employer contributions to MERS, MPERS, and FRS were \$386,217; \$428,008; and \$668,388 respectively, for the year ended December 31, 2021.

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 9 EMPLOYEE RETIREMENT (CONTINUED)

Employees participating in MERS are required to contribute 5.00%; employees participating in MPERS are required to contribute 8.00%; employees participating in the FRS are required to contribute 10.00%.

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. MERS receives ad valorem taxes and state revenue sharing funds. MPERS receives insurance premium tax monies appropriated by the legislature each year based on an actuarial study. FRS receives insurance premium tax monies appropriated by the legislature each year based on an actuarial study. The City of Abbeville recognizes revenue in an amount equal to its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2021, the City of Abbeville recognized revenue as a result of support received from non-employer contributing entities of \$79,699 for its participation in MERS; \$99,271 for its participation in MPERS; and \$233,559 for its participation in the FRS.

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

The following table reflects the City's reported net pension liability, pension expense, proportionate share of the net pension liability and changes in proportion as of December 31, 2021:

|  | <u>MERS</u>         | <u>MPERS</u>        | <u>FRS</u>          | <u>Total</u>        |
|--|---------------------|---------------------|---------------------|---------------------|
| Net Pension Liability                    | <u>\$ 1,847,338</u> | <u>\$ 2,367,935</u> | <u>\$ 2,897,315</u> | <u>\$ 7,112,588</u> |
| Pension (Benefit) Expense                | <u>\$ (134,969)</u> | <u>\$ (238,059)</u> | <u>\$ (575,109)</u> | <u>\$ (948,137)</u> |
| Proportion of Net Pension Liability      | 3.1889%             | 0.4442%             | 0.8176%             |                     |
| Change in Proportion Increase (Decrease) | 0.19%               | 0.06%               | 0.07%               |                     |

The net pension liabilities were measured as of June 30, 2021 and the total pension liabilities used to calculate the net pension liability were determined by actuarial valuations as of that date. The City of Abbeville's proportion of the net pension liability for each retirement system was based on a projection of the City of Abbeville's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 9 EMPLOYEE RETIREMENT (CONTINUED)

At December 31, 2021, the City of Abbeville reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Deferred Outflows of Resources**

|   | <u>MERS</u>       | <u>MPERS</u>      | <u>FRS</u>          | <u>Total</u>        |
|---|-------------------|-------------------|---------------------|---------------------|
| Differences between expected and actual experience                                    | \$ -              | \$ -              | \$ 41,347           | \$ 41,347           |
| Changes in assumptions  | 74,761            | 262,236           | 627,827             | 964,824             |
| Net difference between projected and actual earnings on pension plan investments      | -                 | -                 | -                   | -                   |
| Changes in:   |                   |                   |                     |                     |
| Proportion and differences between employer contributions and proportionate share of: |                   |                   |                     |                     |
| Contributions   | 133,399           | 536,223           | 1,014,632           | 1,684,254           |
| Employer contributions subsequent to measurement date                                 | 197,796           | 198,799           | 361,711             | 758,306             |
| Total   | <u>\$ 405,956</u> | <u>\$ 997,258</u> | <u>\$ 2,045,517</u> | <u>\$ 3,448,731</u> |

**Deferred Inflows of Resources**

|   | <u>MERS</u>       | <u>MPERS</u>        | <u>FRS</u>          | <u>Total</u>        |
|---|-------------------|---------------------|---------------------|---------------------|
| Differences between expected and actual experience  | \$ 76,235         | \$ 72,925           | \$ 260,185          | \$ 409,345          |
| Changes in assumptions  | -                 | 67,547              | -                   | 67,547              |
| Net difference between projected and actual earnings on pension plan investments                            | 499,225           | 1,105,639           | 1,758,260           | 3,363,124           |
| Changes in proportion and differences between actual contributions and proportionate share of contributions | -                 | 25,596              | 213,252             | 238,848             |
| Total   | <u>\$ 575,460</u> | <u>\$ 1,271,707</u> | <u>\$ 2,231,697</u> | <u>\$ 4,078,864</u> |

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 9 EMPLOYEE RETIREMENT (CONTINUED)

During the year ended December 31, 2021, employer contributions totaling \$197,796, \$198,799, and \$361,711 were made subsequent to the measurement date for MERS, MPERS, and FRS respectively. These contributions are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ending December 31, | <u>MERS</u>         | <u>MPERS</u>        | <u>FRS</u>          | <u>Total</u>          |
|--------------------------|---------------------|---------------------|---------------------|-----------------------|
| 2022                     | \$ (3,846)          | \$ (4,742)          | \$ (209,147)        | \$ (217,735)          |
| 2023                     | (58,542)            | (12,103)            | (168,445)           | (239,090)             |
| 2024                     | (129,480)           | (75,484)            | (187,453)           | (392,417)             |
| 2025                     | (175,432)           | (380,919)           | (304,224)           | (860,575)             |
| 2026                     | -                   | -                   | 224,172             | 224,172               |
| 2027                     | -                   | -                   | 97,206              | 97,206                |
| Total                    | <u>\$ (367,300)</u> | <u>\$ (473,248)</u> | <u>\$ (547,891)</u> | <u>\$ (1,388,439)</u> |

Actuarial Assumptions

The total pension liabilities for MERS, MPERS, and FRS in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                                  | <u>MERS</u>   |
|----------------------------------|---|
| Actuarial cost method            | Entry Age Normal  |
| Expected remaining service lives | 4 years for Plan B  |
| Investment rate of return        | 6.85% net of investment expense   |
| Inflation rate                   | 2.500%  |
| Projected salary increases       | 7.4% (1 to 4 years service) (including inflation and merit)<br>4.9% (More than 4 years service) (including inflation and merit)   |
| Cost of living adjustments       | None  |
| Mortality                        | Annuitant and beneficiary Mortality - PubG-2010(B) Healthy Retiree Table (set equal to 120% for males and females). Employees Mortality - PubG-2010(B) Employee Table (set equal to 120% for males and females). Disabled Lives Mortality - PubNS-2010(B) Disabled Retiree Table (set equal to 120% for males and females). |

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 9 EMPLOYEE RETIREMENT (CONTINUED)

| <u>MPERS</u>                     |  |
|----------------------------------|--|
| Actuarial cost method            | Entry Age Normal   |
| Expected remaining service lives | 4 years  |
| Investment rate of return        | 6.750% net of investment expense   |
| Inflation rate                   | 2.50%  |
|                                  | <u>Years of Service</u> <u>Salary Growth Rate</u>  |
| Projected salary increases       | 1 - 2                                      12.30%  |
|                                  | Above 2                                      4.70%   |
| Cost of living adjustments       | The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future not yet authorized by the Board of Trustees.<br>For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used. (years for females) was selected . |
| Mortality                        | For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.<br>For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.  |
| <u>FRS</u>                       |  |
| Actuarial cost method            | Entry Age Normal   |
| Expected remaining service lives | 7 years  |
| Investment rate of return        | 6.90% net of investment expense  |
| Inflation rate                   | 2.500%   |
| Projected salary increases       | 14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases   |

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 9 EMPLOYEE RETIREMENT (CONTINUED)

|                            |   |
|----------------------------|---|
| Cost of living adjustments | Only those previously granted<br>2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.<br>For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.                       |
| Mortality                  | For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees.<br>In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale. |

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return for MERS is 6.95%, MPERS is 7.30%, and FRS is 7.45% for the year ended June 30, 2021.

Discount Rates

The discount rate used to measure the total pension liability for MERS was 6.85%, MPERS was 6.75%, and FRS was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the actuary.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation for MERS, MPERS and FRS as of June 30, 2021 are summarized in the following table:

| Asset Class                        | Expected Rate of Return |             |             |  |              |              |
|------------------------------------|-------------------------|-------------|-------------|--|--------------|--------------|
|                                    | Target Asset Allocation |             |             | Long-Term Expected Portfolio Real Rate of Return |              |              |
|                                    | MERS                    | MPERS       | FRS         | MERS   | MPERS        | FRS          |
| Fixed income                       | 38%                     | 31%         | 26%         | 1.65%  | 0.59%        | 1.37%        |
| Equity                             | 53%                     | 56%         | 56%         | 2.31%  | 3.47%        | 6.84%        |
| Alternatives                       | 9%                      | 13%         | 18%         | 0.39%  | 1.02%        | 7.42%        |
| Real assets                        | <u>0%</u>               | <u>0%</u>   | <u>0%</u>   | 0.00%  | 0.00%        | 4.17%        |
| Totals                             | <u>100%</u>             | <u>100%</u> | <u>100%</u> |  |              |              |
| Inflation                          |                         |             |             | <u>2.60%</u>                                     | <u>2.22%</u> | <u>2.50%</u> |
| Expected Arithmetic Nominal Return |                         |             |             | <u>6.95%</u>                                     | <u>7.30%</u> | <u>7.45%</u> |



CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 9 EMPLOYEE RETIREMENT (CONTINUED)

Based on those assumptions, the net position of MERS, MPERS, and FRS were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City of Abbeville’s proportionate share of the net pension liability using the discount rate of 6.85% for MERS, 6.75% for MPERS, and 6.90% for FRS as well as what the City of Abbeville’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.85% for MERS, 5.75% for MPERS, and 5.90% for FRS) or one percentage-point higher (7.85% for MERS, 7.75% for MPERS, and 7.90% for FRS) than the current rate:

|       | <u>1% Decrease</u>   | <u>Current<br/>Discount Rate</u> | <u>1% Increase</u>  |
|-------|----------------------|----------------------------------|---------------------|
| MERS  | \$ 2,834,200         | \$ 1,847,338                     | \$ 1,012,637        |
| MPERS | 4,126,937            | 2,367,935                        | 899,763             |
| FRS   | <u>5,558,286</u>     | <u>2,897,315</u>                 | <u>678,094</u>      |
| Total | <u>\$ 12,519,424</u> | <u>\$ 7,112,588</u>              | <u>\$ 2,590,494</u> |

Pension Plan Fiduciary Net Position

Detailed information about the pension plans’ fiduciary net position is available in the separately issued financial reports for MERS, MPERS and FRS and can be obtained on the plans’ respective websites or on the Louisiana Legislative Auditor’s website: [www.la.la.gov](http://www.la.la.gov).

Payables to the Pension Plan

At December 31, 2021, payables to MERS, MPERS, and FRS were \$32,715, \$42,541, and \$86,747, respectively for employee and employer legally-required contributions.

NOTE 10 DEDICATION OF PROCEEDS - SALES AND USE TAX

The proceeds of the One and Three Quarter percent sales and use tax levied by the City are dedicated for the following purposes:

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 10 DEDICATION OF PROCEEDS - SALES AND USE TAX (CONTINUED)

One half of one percent sales and use tax (2021 - \$1,648,187; 2020 - \$1,497,038) for opening, constructing, paving, resurfacing and improving streets, alleys, sidewalks, sewers, lighting and power plants; constructing and improving drains, drainage canals and sub-surface drainage; constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; constructing and purchasing garbage disposal and health and sanitation equipment and facilities; constructing public buildings; purchasing, constructing and improving public parks and recreational facilities and acquiring the necessary equipment and furnishings therefore; purchasing equipment for civil defense; constructing, acquiring or improving any work of permanent public improvement; and purchasing and acquiring all equipment and furnishing for the public works buildings improvements and facilities in the City.

One half of one percent sales and use tax (2021 - \$1,648,187; 2020 - \$1,497,038) for paying a portion of the salaries and benefits of City employees.

One quarter of one percent sales and use tax (2021 – \$824,093; 2020 – \$748,519) shall be allocated periodically for the purpose of increasing the salaries for public safety employees of the City.

One half of one percent sales and use tax (2021 – \$1,648,187; 2020 - \$1,497,038) shall be allocated periodically for the purpose of increasing the salaries of City employees.

NOTE 11 SEGMENT INFORMATION FOR THE ENTERPRISE FUND

The City maintains one enterprise fund with three departments that provide electricity, water, and sewerage services. Segment information for the year ended December 31, 2021 follows:

|                          | <u>Electric</u>      | <u>Water</u>        | <u>Sewerage</u>     | <u>Total</u>         |
|--------------------------|----------------------|---------------------|---------------------|----------------------|
| Operating revenues       | <u>\$ 12,563,958</u> | <u>\$ 2,026,614</u> | <u>\$ 2,068,422</u> | <u>\$ 16,658,994</u> |
| Operating expenses:      |                      |                     |                     |                      |
| Depreciation             | 370,804              | 252,812             | 478,175             | 1,101,791            |
| Other                    | <u>8,051,286</u>     | <u>1,607,807</u>    | <u>1,543,089</u>    | <u>11,202,182</u>    |
| Total operating expenses | <u>8,422,090</u>     | <u>1,860,619</u>    | <u>2,021,264</u>    | <u>12,303,973</u>    |
| Operating income         | <u>\$ 4,141,868</u>  | <u>\$ 165,995</u>   | <u>\$ 47,158</u>    | <u>\$ 4,355,021</u>  |

NOTE 12 INTERNAL SERVICE FUND

The City has established a partially self-funded internal service fund to accumulate monies for the payment of health care claims of the City employees and their dependents. An integral part of this self-funded health insurance program is the procurement of both specific and aggregate Stop-Loss insurance. The City’s self-insured retention is \$75,000 per covered individual. As of December 31, 2021, the internal service fund has a negative net position of \$121,176, which expected to be funded by additional charges for services from the respective funds.

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 13 COMPENSATION OF CITY OFFICIALS

A detail of compensation paid to the Mayor and Council for the year ended December 31, 2021 follows:

|  |                   |
|--|-------------------|
| Mark Piazza, Mayor                     | \$ 79,000         |
| Francis Plaisance, Councilman-at-large | 16,729            |
| Roslyn White, Councilman               | 15,400            |
| Terry Broussard, Councilman            | 15,400            |
| R. Brady Broussard, Jr., Councilman    | 15,400            |
| Francis Touchet, Councilman            | 15,400            |
|  | <u>\$ 157,329</u> |

NOTE 14 RESTRICTED ASSETS - PROPRIETARY FUND TYPE (UTILITY FUND)

Restricted assets consisted of the following at December 31, 2021:

|                     |                     |
|---------------------|---------------------|
| Customers' deposits | <u>\$ 1,040,968</u> |
|---------------------|---------------------|

NOTE 15 POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

*Plan description* – The City of Abbeville (the City) provides certain continuing health care and life insurance benefits for its retired employees. The City of Abbeville’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 and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: attainment of Medical benefits are provided through a medical plan and are made available to employees upon actual retirement. The employees are covered by one of three retirement systems: first, the Municipal Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service; second, the Firefighters' Retirement System of Louisiana, and, third, the Municipal Police Retirement System of Louisiana. Both the Fire and Police systems have retirement eligibility (D.R.O.P. entry) provisions as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service. For each system, employees hired on and after January 1, 2013 must meet the following retirement (D.R.O.P. entry) requirements: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 15 POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS  
(CONTINUED)

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced by 50% upon retirement.

*Employees covered by benefit terms* – At December 31, 2021, the following employees were covered by the benefit terms:

|  |            |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 45         |
| Inactive employees entitled to but not yet receiving benefit payments    | -          |
| Active employees   | <u>143</u> |
|  | <u>188</u> |

Total OPEB Liability

The City’s total OPEB liability of \$22,958,551 was measured as of December 31, 2021 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                             |   |
|-----------------------------|---|
| Inflation                   | 2.0%  |
| Salary increases            | 3.0%, including inflation   |
| Discount rate               | 2.12% annually (Beginning of Year to Determine ADC)   |
|                             | 2.06%, annually (As of End of Year Measurement Date)  |
| Healthcare cost trend rates | 5.5% annually until year 2030, then 4.5%, except the trend is 3% for Medicare Advantage rates |
| Mortality                   | SOA RP-2014 Table   |

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2021, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2021.

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 15 POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS  
(CONTINUED)

Changes in the Total OPEB Liability

|  |                      |
|--|----------------------|
| Balance at December 31, 2020                       | \$ 22,740,704        |
| Changes for the year:                              |                      |
| Service cost                                       | 284,718              |
| Interest   | 485,121              |
| Differences between expected and actual experience | (372,328)            |
| Changes in assumptions                             | 203,377              |
| Benefit payments and net transfers                 | <u>(383,041)</u>     |
| Net changes  | <u>217,847</u>       |
| Balance at December 31, 2021                       | <u>\$ 22,958,551</u> |

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.06%) or 1-percentage-point higher (3.06%) than the current discount rate:

|                      | 1.0%<br><u>(1.06%)</u> | Current<br><u>(2.06%)</u> | 1.0%<br><u>(3.06%)</u> |
|----------------------|------------------------|---------------------------|------------------------|
| Total OPEB liability | <u>\$ 26,716,286</u>   | <u>\$ 22,958,551</u>      | <u>\$ 19,961,363</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:

|                      | 1.0%<br><u>(4.5%)</u> | Current<br><u>(5.5%)</u> | 1.0%<br><u>(6.5%)</u> |
|----------------------|-----------------------|--------------------------|-----------------------|
| Total OPEB liability | <u>\$ 19,971,460</u>  | <u>\$ 22,958,551</u>     | <u>\$ 26,665,670</u>  |

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

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 15 POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS  
(CONTINUED)

For the year ended December 31, 2021, the City recognized OPEB expense of \$864,441. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual | \$ 1,402,399                         | \$ 665,899                          |
| Changes in assumptions                  | 1,787,592                            | 3,047,497                           |
| Total                                   | <u>\$ 3,189,991</u>                  | <u>\$ 3,713,396</u>                 |

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

| <u>Years ending December 31:</u> |           |
|----------------------------------|-----------|
| 2022                             | 94,602    |
| 2023                             | 94,602    |
| 2024                             | 94,602    |
| 2025                             | 94,602    |
| 2026                             | 94,602    |
| Thereafter                       | (996,415) |

NOTE 16 CONTRACT FOR ELECTRIC POWER – ENTERPRISE FUND

The City has entered into an agreement with Exelon Generation Company, LLC for electric power supply service. This agreement is effective from June 1, 2021 through May 31, 2024.

NOTE 17 CAPITAL LEASE OBLIGATIONS

On March 11, 2020, the City of Abbeville entered into a capital lease agreement with Ford Motor Credit for the acquisition of (5) Police Units. The capital lease required three annual payments of \$48,904 beginning on March 11, 2020.

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 18 INTERFUND TRANSFERS

Interfund transfers consist of the following at December 31, 2021:

|  | <u>Transfers In</u> | <u>Transfers Out</u> |
|--|---------------------|----------------------|
| Governmental funds:                              |                     |                      |
| General fund                                     | \$ 9,641,163        | \$ 91,520            |
| Special revenue funds:                           |                     |                      |
| Sales Tax Special Revenue Fund                   | 56,335              | 4,459,348            |
| Public Improvement Sewer Fund                    | -                   | 140,378              |
| Maintenance and Operation - Fire Department Fund | -                   | 88,203               |
| Debt service funds:                              |                     |                      |
| 2012 Revenue Refunding Bonds Fund                | 480,310             | -                    |
| 2014 Sales Tax Revenue Bonds Fund                | 202,054             | -                    |
| 2016 Revenue Bonds Fund                          | 88,203              | -                    |
| 2021 Revenue Bonds Fund                          | 8,970               | -                    |
| Capital projects funds:                          |                     |                      |
| Airport Improvement Fund                         | <u>20,000</u>       | <u>-</u>             |
| Total governmental funds                         | <u>10,497,035</u>   | <u>4,779,449</u>     |
| Proprietary funds:                               |                     |                      |
| Enterprise Fund                                  | <u>814,406</u>      | <u>6,531,992</u>     |
| Total  | <u>\$11,311,441</u> | <u>\$11,311,441</u>  |

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

NOTE 19 COMPENSATION, BENEFITS AND OTHER PAYMENTS TO MAYOR

A detail of compensation, benefits, and other payments made to Mayor, Mark Piazza for the year ended December 31, 2021 follows:

Mark Piazza, Mayor

| <u>Purpose</u>                 | <u>Amount</u>    |
|--------------------------------|------------------|
| Salary                         | \$ 79,000        |
| Benefits - Health insurance    | 8,704            |
| Benefits - Retirement          | 3,950            |
| Vehicle Provided by Government | <u>825</u>       |
|                                | <u>\$ 92,479</u> |

CITY OF ABBEVILLE, LOUISIANA

Notes to Basic Financial Statements

NOTE 20 COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in various lawsuits. Although the outcome of some of these lawsuits has been determined, as of the date of this audit report, the City has not appropriated any funds in payment of these liabilities. There are also pending lawsuits which may result in judgments against the City. As of December 31, 2021, the amounts, if any, resulting from the settlement of these pending claims could not be reasonably determined by management and legal counsel.

Grant Audits

The City receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by these agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City management, such disallowances, if any, will not be significant to the City's financial statements.

Utility Relocation Grants

In prior years, the City utilized federal funding under Act 319 to pay its share of the cost to relocate electric, water, and sewer facilities to accommodate the expansion of Highway 14. As part of the funding agreement the City is prohibited from locating additional longitudinal facilities within any right-of-way owned by the State of Louisiana until the City reimburses the Department of Transportation the full amount of costs expended on the City's behalf, which totaled \$590,359.

NOTE 21 SUBSEQUENT EVENTS

We have evaluated events subsequent to the balance sheet date through May 9, 2022, the date the financial statements were available to be issued.

NOTE 22 COVID-19 PANDEMIC

In December 2021, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. The World Health Organization has characterized COVID-19 as a pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our resources, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the City's financial condition or results of operations is uncertain.



**REQUIRED  
SUPPLEMENTARY INFORMATION**

CITY OF ABBEVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
Year Ended December 31, 2021  
With Comparative Actual Amounts for the Year Ended December 31, 2020

|   | 2021               |                     | Actual              | Variance -<br>Positive<br>(Negative) | 2020<br>Actual     |
|---|--------------------|---------------------|---------------------|--------------------------------------|--------------------|
|   | Budget             |                     |                     |                                      |                    |
|   | Original           | Final               |                     |                                      |                    |
| <b>Revenues:</b>  |                    |                     |                     |                                      |                    |
| Taxes   | \$ 367,000         | \$ 367,000          | \$ 367,553          | \$ 553                               | \$ 375,349         |
| Licenses and permits  | 588,000            | 601,000             | 609,576             | 8,576                                | 595,589            |
| Intergovernmental   | 396,500            | 2,419,500           | 2,379,014           | (40,486)                             | 169,292            |
| Fines and forfeitures   | 65,000             | 65,000              | 56,981              | (8,019)                              | 59,325             |
| Miscellaneous   | <u>398,500</u>     | <u>428,500</u>      | <u>448,439</u>      | <u>19,939</u>                        | <u>470,315</u>     |
| Total revenues  | <u>1,815,000</u>   | <u>3,881,000</u>    | <u>3,861,563</u>    | <u>(19,437)</u>                      | <u>1,669,870</u>   |
| <b>Expenditures:</b>  |                    |                     |                     |                                      |                    |
| Current -   |                    |                     |                     |                                      |                    |
| General government  | 1,804,500          | 1,907,500           | 1,948,825           | (41,325)                             | 1,750,171          |
| Public safety:  |                    |                     |                     |                                      |                    |
| Police  | 3,551,000          | 3,529,000           | 3,570,692           | (41,692)                             | 3,465,623          |
| Fire  | 3,810,000          | 4,000,000           | 4,093,757           | (93,757)                             | 3,869,532          |
| Highways and streets  | 1,127,000          | 1,185,000           | 1,238,645           | (53,645)                             | 1,070,737          |
| Culture and recreation  | 440,000            | 446,000             | 448,262             | (2,262)                              | 401,179            |
| Capital outlay  | <u>12,500</u>      | <u>7,500</u>        | <u>-</u>            | <u>7,500</u>                         | <u>31,299</u>      |
| Total expenditures  | <u>10,745,000</u>  | <u>11,075,000</u>   | <u>11,300,181</u>   | <u>(225,181)</u>                     | <u>10,588,541</u>  |
| Deficiency of revenues<br>over expenditures   | <u>(8,930,000)</u> | <u>(7,194,000)</u>  | <u>(7,438,618)</u>  | <u>(244,618)</u>                     | <u>(8,918,671)</u> |
| <b>Other financing sources (uses):</b>  |                    |                     |                     |                                      |                    |
| Transfers in  | 8,954,000          | 9,423,000           | 9,641,163           | 218,163                              | 8,959,285          |
| Transfers out   | <u>-</u>           | <u>(56,000)</u>     | <u>(91,520)</u>     | <u>(35,520)</u>                      | <u>(9,592)</u>     |
| Total other financing sources (uses)  | <u>8,954,000</u>   | <u>9,367,000</u>    | <u>9,549,643</u>    | <u>182,643</u>                       | <u>8,949,693</u>   |
| Excess (deficiency) of revenues<br>and other financing sources<br>over expenditures and<br>other financing uses | 24,000             | 2,173,000           | 2,111,025           | (61,975)                             | 31,022             |
| Fund balance, beginning   | <u>348,706</u>     | <u>348,706</u>      | <u>348,706</u>      | <u>-</u>                             | <u>317,684</u>     |
| Fund balance, ending  | <u>\$ 372,706</u>  | <u>\$ 2,521,706</u> | <u>\$ 2,459,731</u> | <u>\$ (61,975)</u>                   | <u>\$ 348,706</u>  |

CITY OF ABBEVILLE, LOUISIANA  
Sales Tax Fund

Budgetary Comparison Schedule  
Year Ended December 31, 2021  
With Comparative Actual Amounts for the Year Ended December 31, 2020

|  | 2021                |                     |                     | Variance -<br>Positive<br>(Negative) | 2020<br>Actual      |
|--|---------------------|---------------------|---------------------|--------------------------------------|---------------------|
|  | Budget              |                     | Actual              |                                      |                     |
|  | Original            | Final               |                     |                                      |                     |
| Revenues:  |                     |                     |                     |                                      |                     |
| Sales tax  | \$ 4,900,000        | \$ 5,705,000        | \$ 5,768,653        | \$ 63,653                            | \$ 5,239,633        |
| Intergovernmental - state and local  | 324,000             | 491,000             | 453,822             | (37,178)                             | 555,868             |
| Miscellaneous - interest and other   | <u>2,000</u>        | <u>17,000</u>       | <u>17,620</u>       | <u>620</u>                           | <u>1,919</u>        |
| Total revenues   | <u>5,226,000</u>    | <u>6,213,000</u>    | <u>6,240,095</u>    | <u>27,095</u>                        | <u>5,797,420</u>    |
| Expenditures:  |                     |                     |                     |                                      |                     |
| Current -  |                     |                     |                     |                                      |                     |
| General government   | 10,000              | 20,000              | 47,677              | (27,677)                             | 19,932              |
| Public safety:   |                     |                     |                     |                                      |                     |
| Police   | 37,000              | 37,000              | 41,999              | (4,999)                              | 35,386              |
| Fire   | 35,000              | 45,000              | 40,742              | 4,258                                | 15,965              |
| Highways and streets   | 286,000             | 341,000             | 143,376             | 197,624                              | 214,337             |
| Culture and recreation   | 15,000              | 81,000              | 48,684              | 32,316                               | 5,204               |
| Capital outlay   | 803,000             | 1,115,000           | 1,164,883           | (49,883)                             | 1,092,796           |
| Debt service -   |                     |                     |                     |                                      |                     |
| Principal  | 50,000              | 50,000              | 42,794              | 7,206                                | 48,903              |
| Interest   | <u>-</u>            | <u>-</u>            | <u>6,109</u>        | <u>(6,109)</u>                       | <u>-</u>            |
| Total expenditures   | <u>1,236,000</u>    | <u>1,689,000</u>    | <u>1,536,264</u>    | <u>152,736</u>                       | <u>1,432,523</u>    |
| Excess of revenues<br>over expenditures  | <u>3,990,000</u>    | <u>4,524,000</u>    | <u>4,703,831</u>    | <u>179,831</u>                       | <u>4,364,897</u>    |
| Other financing sources (uses):  |                     |                     |                     |                                      |                     |
| Proceeds of capital lease  | -                   | -                   | -                   | -                                    | 146,710             |
| Transfers in -   | -                   | 56,000              | 56,335              | 335                                  | 1,757               |
| Transfers out -  |                     |                     |                     |                                      |                     |
| General Fund -   |                     |                     |                     |                                      |                     |
| Salaries   | (710,000)           | (850,000)           | (800,000)           | 50,000                               | (750,000)           |
| Retirement   | (531,000)           | (531,000)           | (531,420)           | (420)                                | (525,134)           |
| Health insurance   | (593,000)           | (825,000)           | (775,050)           | 49,950                               | (592,800)           |
| Capital outlay and other costs   | (885,000)           | (933,000)           | (927,665)           | 5,335                                | (969,714)           |
| Debt Service Fund  | (680,000)           | (680,000)           | (691,335)           | (11,335)                             | (683,505)           |
| Utility Fund -   |                     |                     |                     |                                      |                     |
| Retirement   | (89,000)            | (89,000)            | (88,500)            | 500                                  | (88,500)            |
| Health insurance   | (187,000)           | (265,000)           | (247,950)           | 17,050                               | (187,200)           |
| Capital outlay and other costs   | <u>(445,000)</u>    | <u>(417,000)</u>    | <u>(397,428)</u>    | <u>19,572</u>                        | <u>(376,607)</u>    |
| Total other financing sources (uses)   | <u>(4,120,000)</u>  | <u>(4,534,000)</u>  | <u>(4,403,013)</u>  | <u>130,987</u>                       | <u>(4,024,993)</u>  |
| Excess (deficiency) of revenues and<br>other sources over expenditures<br>and other financing uses | (130,000)           | (10,000)            | 300,818             | 310,818                              | 339,904             |
| Fund balance, beginning  | <u>1,625,867</u>    | <u>1,625,867</u>    | <u>1,625,867</u>    | <u>-</u>                             | <u>1,285,963</u>    |
| Fund balance, ending   | <u>\$ 1,495,867</u> | <u>\$ 1,615,867</u> | <u>\$ 1,926,685</u> | <u>\$ 310,818</u>                    | <u>\$ 1,625,867</u> |

CITY OF ABBEVILLE, LOUISIANA  
POST RETIREMENT BENEFITS

Schedule of Changes in Net OPEB Liability  
and Related Ratios  
Year Ended December 31, 2021

| Total OPEB Liability  | 2018              | 2019              | 2020              | 2021              |
|---|-------------------|-------------------|-------------------|-------------------|
| Service cost  | \$ 378,008        | \$ 296,133        | \$ 293,301        | \$ 284,718        |
| Interest  | 1,061,073         | 1,146,518         | 542,828           | 485,121           |
| Changes of benefit terms  | -                 | (9,517,341)       | -                 | -                 |
| Differences between expected<br>and actual experience                 | (513,681)         | 1,548,248         | 337,699           | (372,328)         |
| Changes of assumptions  | (3,208,364)       | (1,101,763)       | 2,265,355         | 203,377           |
| Benefit payments  | (557,384)         | (522,991)         | (363,072)         | (383,041)         |
| Net change in total OPEB liability                                    | (2,840,348)       | (8,151,196)       | 3,076,111         | 217,847           |
| <br>Total OPEB liability - beginning                                  | <br>30,656,137    | <br>27,815,789    | <br>19,664,593    | <br>22,740,704    |
| <br>Total OPEB liability - ending                                     | <br>\$ 27,815,789 | <br>\$ 19,664,593 | <br>\$ 22,740,704 | <br>\$ 22,958,551 |
| <br>Covered employee payroll  | <br>\$ 4,503,826  | <br>\$ 4,638,941  | <br>\$ 5,210,543  | <br>\$ 5,366,859  |
| <br>Net OPEB liability as a percentage of<br>covered employee payroll | <br>617.60%       | <br>423.90%       | <br>436.44%       | <br>427.78%       |
| <br>Notes to Schedule:  |                   |                   |                   |                   |
| Benefit change:   | None              | None              | None              | None              |
| Changes of Assumptions:   |                   |                   |                   |                   |
| Discount Rate:  | 4.10%             | 2.74%             | 2.12%             | 2.06%             |

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

CITY OF ABBEVILLE, LOUISIANA  
EMPLOYEE RETIREMENT

Schedule of Proportionate Share of Net Pension Liability  
Year Ended December 31, 2021

| Fiscal<br>Year                                       | Proportion<br>of the net<br>pension<br>liability | Proportionate<br>share of the<br>net pension<br>liability | Covered<br>employee<br>payroll | Share of the net<br>pension liability<br>as a percentage<br>of its covered<br>employee payroll | Plan fiduciary net<br>position as a<br>percentage of the<br>total pension<br>liability |
|--|--|---|--------------------------------|--|--|
| <b>Municipal Employees' Retirement System</b>        |  |   |                                |  |  |
| 2021   | 3.18887%   | \$ 1,847,338  | \$ 2,506,477                   | 73.70%   | 79.14%   |
| 2020   | 3.00279%   | \$ 2,721,209  | \$ 2,461,504                   | 110.55%  | 66.26%   |
| 2019   | 2.86696%   | \$ 2,508,058  | \$ 2,205,125                   | 113.74%  | 66.14%   |
| 2018   | 2.97348%   | \$ 2,515,062  | \$ 2,212,271                   | 113.69%  | 65.60%   |
| 2017   | 3.02570%   | \$ 2,617,937  | \$ 2,097,862                   | 124.79%  | 63.49%   |
| 2016   | 2.92099%   | \$ 2,421,235  | \$ 1,962,066                   | 123.40%  | 63.30%   |
| 2015   | 2.93837%   | \$ 1,997,053  | \$ 2,001,427                   | 99.78%   | 68.71%   |
| <b>Municipal Police Employees' Retirement System</b> |  |   |                                |  |  |
| 2021   | 0.44422%   | \$ 2,367,935  | \$ 1,285,277                   | 184.24%  | 84.09%   |
| 2020   | 0.38048%   | \$ 3,516,513  | \$ 1,386,597                   | 253.61%  | 70.94%   |
| 2019   | 0.34904%   | \$ 3,169,850  | \$ 1,066,921                   | 297.10%  | 71.01%   |
| 2018   | 0.36201%   | \$ 3,060,488  | \$ 926,323                     | 330.39%  | 71.89%   |
| 2017   | 0.38059%   | \$ 3,322,738  | \$ 997,410                     | 333.14%  | 70.08%   |
| 2016   | 0.38315%   | \$ 3,591,195  | \$ 969,480                     | 370.42%  | 66.00%   |
| 2015   | 0.40739%   | \$ 3,191,490  | \$ 1,063,951                   | 299.97%  | 70.73%   |
| <b>Firefighters' Retirement System</b>               |  |   |                                |  |  |
| 2021   | 0.81756%   | \$ 2,897,315  | \$ 2,022,671                   | 143.24%  | 86.78%   |
| 2020   | 0.75184%   | \$ 5,211,409  | \$ 2,144,535                   | 243.01%  | 72.61%   |
| 2019   | 0.61380%   | \$ 3,843,548  | \$ 1,596,195                   | 240.79%  | 73.96%   |
| 2018   | 0.57644%   | \$ 3,315,739  | \$ 1,428,739                   | 232.07%  | 74.76%   |
| 2017   | 0.58083%   | \$ 3,329,241  | \$ 1,309,980                   | 254.14%  | 73.55%   |
| 2016   | 0.68091%   | \$ 4,453,793  | \$ 1,471,020                   | 302.77%  | 68.20%   |
| 2015   | 0.75836%   | \$ 4,092,960  | \$ 1,544,795                   | 264.95%  | 72.45%   |

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

CITY OF ABBEVILLE, LOUISIANA  
EMPLOYEE RETIREMENT

Schedule of Contributions  
Year Ended December 31, 2021

| Fiscal<br>Year                                       | Statutorily<br>required<br>contribution | Contributions<br>relative to<br>statutorily<br>required<br>contribution | Contribution<br>deficiency<br>(excess) | Covered<br>employee<br>payroll | Contributions as<br>a percentage of<br>covered<br>employee<br>payroll |
|--|---|---|--|--------------------------------|---|
| <b>Municipal Employees' Retirement System</b>        |   |   |  |                                |   |
| 2021   | \$ 381,533                              | \$ 388,504  | \$ (6,971)                             | \$ 2,506,477                   | 15.5%   |
| 2020   | \$ 325,265                              | \$ 363,111  | \$ (37,846)                            | \$ 2,461,504                   | 14.8%   |
| 2019   | \$ 309,718                              | \$ 311,044  | \$ (1,326)                             | \$ 2,205,125                   | 14.1%   |
| 2018   | \$ 301,384                              | \$ 303,643  | \$ (2,259)                             | \$ 2,212,271                   | 13.7%   |
| 2017   | \$ 257,211                              | \$ 256,915  | \$ 296                                 | \$ 2,097,862                   | 12.2%   |
| 2016   | \$ 203,877                              | \$ 222,341  | \$ (18,464)                            | \$ 1,962,066                   | 11.3%   |
| 2015   | \$ 190,136                              | \$ 190,136  | \$ -                                   | \$ 2,001,427                   | 9.5%  |
| <b>Municipal Police Employees' Retirement System</b> |   |   |  |                                |   |
| 2021   | \$ 438,503                              | \$ 407,052  | \$ 31,452                              | \$ 1,285,277                   | 31.7%   |
| 2020   | \$ 353,317                              | \$ 459,854  | \$ (106,537)                           | \$ 1,386,597                   | 33.2%   |
| 2019   | \$ 299,910                              | \$ 345,395  | \$ (45,485)                            | \$ 1,066,921                   | 32.4%   |
| 2018   | \$ 291,872                              | \$ 350,087  | \$ (58,215)                            | \$ 926,323                     | 37.8%   |
| 2017   | \$ 321,988                              | \$ 334,457  | \$ (12,469)                            | \$ 997,410                     | 33.5%   |
| 2016   | \$ 343,269                              | \$ 352,248  | \$ (8,979)                             | \$ 969,480                     | 36.3%   |
| 2015   | \$ 324,732                              | \$ 324,732  | \$ -                                   | \$ 1,063,951                   | 30.5%   |
| <b>Firefighters' Retirement System</b>               |   |   |  |                                |   |
| 2021   | \$ 708,109                              | \$ 668,387  | \$ 39,721                              | \$ 2,022,671                   | 33.0%   |
| 2020   | \$ 480,159                              | \$ 644,597  | \$ (164,438)                           | \$ 2,144,535                   | 30.1%   |
| 2019   | \$ 401,834                              | \$ 433,329  | \$ (31,495)                            | \$ 1,596,195                   | 27.1%   |
| 2018   | \$ 407,191                              | \$ 378,616  | \$ 28,575                              | \$ 1,428,739                   | 26.5%   |
| 2017   | \$ 365,154                              | \$ 338,955  | \$ 26,199                              | \$ 1,309,980                   | 25.9%   |
| 2016   | \$ 418,372                              | \$ 386,775  | \$ 31,597                              | \$ 1,471,020                   | 26.3%   |
| 2015   | \$ 451,853                              | \$ 451,853  | \$ -                                   | \$ 1,544,795                   | 29.3%   |

\*Amounts presented were determined as of the end of the fiscal year.

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

CITY OF ABBEVILLE, LOUISIANA  
General Fund

Schedule Justice System Funding – Receiving Entity  
Year Ended December 31, 2021

|   | First Six<br>Month Period<br>Ended<br><u>6/30/2021</u> | Second Six<br>Month Period<br>Ended<br><u>12/31/2021</u> |
|---|--|--|
| Receipts From:  |  |  |
| City Court of Abbeville, Fines                              | \$ 36,407  | \$ 28,421  |
| City Court of Abbeville, Witness Fees                       | 3,691  | 5,290  |
| City Court of Abbeville, Intoxilizer Fees                   | 76   | 75   |
| Vermilion Parish Sheriff's Office, Intoxilizer Fees         | 64   | 307  |
| District Attorney for 15th Judicial Court, Asset Forfeiture | <u>8,976</u>   | <u>638</u>   |
| Total Receipts  | <u>\$ 49,214</u>                                       | <u>\$ 34,731</u>   |

CITY OF ABBEVILLE, LOUISIANA  
General Fund

Schedule Justice System Funding – Collecting/Disbursing Entity  
Year Ended December 31, 2021

|  | First Six<br>Month Period<br>Ended<br><u>6/30/2021</u> | Second Six<br>Month Period<br>Ended<br><u>12/31/2021</u> |
|--|--|--|
| Beginning Balance of Amounts Collected (i.e. cash on hand)               | \$ -   | \$ 299   |
| Add: Collections   |  |  |
| Bond Fees  | <u>345</u>   | <u>480</u>   |
| Subtotal Collections   | <u>345</u>   | <u>480</u>   |
| Less: Disbursements To Government & Nonprofits:                          |  |  |
| Louisiana Chiefs of Police   | <u>46</u>  | <u>64</u>  |
| Subtotal Disbursements   | <u>46</u>  | <u>64</u>  |
| Total: Ending Balance of Amounts Collected<br>but not Disbursed/Retained | <u>\$ 299</u>  | <u>\$ 715</u>  |
| Other Information:   |  |  |
| Ending Balance of Total Amounts Assessed<br>but not yet Collected        | <u>\$ -</u>  | <u>\$ -</u>  |



**OTHER SUPPLEMENTARY INFORMATION**

**OTHER FINANCIAL INFORMATION**

CITY OF ABBEVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule – Revenues  
Year Ended December 31, 2021  
With Comparative Actual Amounts for the Year Ended December 31, 2020

|   | 2021               |                    | Actual             | Variance -<br>Favorable<br>(Unfavorable) | 2020<br>Actual     |
|---|--------------------|--------------------|--------------------|--|--------------------|
|   | Budget             |                    |                    |  |                    |
|   | Original           | Final              |                    |  |                    |
| <b>Taxes:</b>                               |                    |                    |                    |  |                    |
| Ad valorem                                  | \$ 335,000         | \$ 337,000         | \$ 338,414         | \$ 1,414                                 | \$ 345,704         |
| Housing authority payment in lieu of taxes  | 20,000             | 18,000             | 17,329             | (671)                                    | 16,740             |
| Chain store                                 | 12,000             | 12,000             | 11,810             | (190)                                    | 12,905             |
| Total taxes                                 | <u>367,000</u>     | <u>367,000</u>     | <u>367,553</u>     | <u>553</u>                               | <u>375,349</u>     |
| <b>Licenses and permits:</b>                |                    |                    |                    |  |                    |
| Occupational licenses                       | 527,000            | 530,000            | 534,544            | 4,544                                    | 533,453            |
| Beer and liquor licenses                    | 20,000             | 20,000             | 24,088             | 4,088                                    | 17,735             |
| Building and other permits                  | 41,000             | 51,000             | 50,944             | (56)                                     | 44,401             |
| Total licenses and permits                  | <u>588,000</u>     | <u>601,000</u>     | <u>609,576</u>     | <u>8,576</u>                             | <u>595,589</u>     |
| <b>Intergovernmental:</b>                   |                    |                    |                    |  |                    |
| Vermilion Parish Police Jury/School Board - |                    |                    |                    |  |                    |
| Fire insurance tax                          | 75,000             | 37,000             | 37,097             | 97                                       | 50,000             |
| Resource officer                            | 35,000             | 30,000             | 32,824             | 2,824                                    | 13,606             |
| State of Louisiana -                        |                    |                    |                    |  |                    |
| Beer taxes                                  | 25,000             | 25,000             | 22,556             | (2,444)                                  | 24,942             |
| State grants                                | 41,500             | 51,500             | 43,769             | (7,731)                                  | 50,433             |
| Federal -                                   |                    |                    |                    |  |                    |
| CARES                                       | -                  | -                  | -                  | -  | 15,075             |
| ACRGP                                       | -                  | -                  | 13,000             | 13,000                                   | -                  |
| SLFRF                                       | -                  | 2,226,000          | 2,229,768          | 3,768                                    | -                  |
| FEMA  | 200,000            | 30,000             | -                  | (30,000)                                 | -                  |
| Police department grants                    | 20,000             | 20,000             | -                  | (20,000)                                 | 15,236             |
| Total intergovernmental                     | <u>396,500</u>     | <u>2,419,500</u>   | <u>2,379,014</u>   | <u>(40,486)</u>                          | <u>169,292</u>     |
| Fines and forfeitures                       | <u>65,000</u>      | <u>65,000</u>      | <u>56,981</u>      | <u>(8,019)</u>                           | <u>59,325</u>      |
| <b>Miscellaneous:</b>                       |                    |                    |                    |  |                    |
| Rental income                               | 130,000            | 133,000            | 132,535            | (465)                                    | 128,845            |
| Franchise fees - Reliant                    | 70,000             | 70,000             | 76,429             | 6,429                                    | 64,383             |
| Franchise fees - Cable TV                   | 70,000             | 70,000             | 62,626             | (7,374)                                  | 67,356             |
| Franchise fees - Bell South                 | 13,000             | 13,000             | 12,918             | (82)                                     | 10,359             |
| Franchise fees - La Competitive             | 6,000              | 6,000              | 7,797              | 1,797                                    | 7,528              |
| Franchise fees - Entergy                    | 38,000             | 40,000             | 43,748             | 3,748                                    | 37,444             |
| Interest income                             | 1,000              | 500                | 429                | (71)                                     | 1,224              |
| Youth recreation revenues                   | -                  | -                  | -                  | -  | -                  |
| Oil and mineral leases                      | 20,000             | 41,000             | 54,147             | 13,147                                   | 28,098             |
| Other sources                               | 41,500             | 47,000             | 49,730             | 2,730                                    | 117,078            |
| Total miscellaneous                         | <u>398,500</u>     | <u>428,500</u>     | <u>448,439</u>     | <u>19,939</u>                            | <u>470,315</u>     |
| Total revenues                              | <u>\$1,815,000</u> | <u>\$3,881,000</u> | <u>\$3,861,563</u> | <u>\$ (19,437)</u>                       | <u>\$1,669,870</u> |

CITY OF ABBEVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule – Expenditures  
Year Ended December 31, 2021

With Comparative Actual Amounts for the Year Ended December 31, 2020

|                              | 2021             |                  |                  |  | 2020<br>Actual   |
|------------------------------|------------------|------------------|------------------|--|------------------|
|                              | Budget           |                  | Actual           | Variance -<br>Favorable<br>(Unfavorable) |                  |
|                              | Original         | Final            |                  |  |                  |
| General government:          |                  |                  |                  |  |                  |
| Administrative -             |                  |                  |                  |  |                  |
| Salaries                     | \$ 405,500       | \$ 409,000       | \$ 410,441       | \$ (1,441)                               | \$ 398,656       |
| Employees' insurance         | 191,000          | 228,000          | 255,011          | (27,011)                                 | 194,045          |
| Payroll taxes                | 34,500           | 36,000           | 36,093           | (93)                                     | 34,736           |
| Retirement                   | 53,000           | 60,000           | 62,552           | (2,552)                                  | 56,682           |
| General insurance            | 41,500           | 40,000           | 34,206           | 5,794                                    | 36,628           |
| Equipment operating          | 11,500           | 12,500           | 10,742           | 1,758                                    | 5,936            |
| Dues and subscriptions       | 3,000            | 3,000            | 1,514            | 1,486                                    | 3,512            |
| Janitorial                   | 12,000           | 12,000           | 10,850           | 1,150                                    | 10,875           |
| Legal and accounting         | 159,000          | 160,000          | 152,599          | 7,401                                    | 155,896          |
| Maintenance and repairs      | 13,500           | 14,000           | 16,445           | (2,445)                                  | 14,096           |
| Other professional fees      | 64,000           | 74,000           | 71,088           | 2,912                                    | 59,848           |
| Travel and convention        | 5,000            | 4,000            | 2,135            | 1,865                                    | 1,099            |
| Office supplies              | 28,000           | 27,000           | 22,950           | 4,050                                    | 21,945           |
| Postage                      | 10,500           | 11,000           | 10,499           | 501                                      | 8,552            |
| Publications                 | 20,000           | 30,000           | 35,317           | (5,317)                                  | 17,672           |
| Telephone                    | 25,000           | 30,000           | 32,131           | (2,131)                                  | 27,553           |
| Rents                        | 7,500            | 7,500            | 7,200            | 300                                      | 7,200            |
| Utilities                    | 12,000           | 12,000           | 12,671           | (671)                                    | 11,999           |
| Employee drug testing        | 1,500            | 2,000            | 696              | 1,304                                    | 2,269            |
| Security guard               | 24,000           | 23,000           | 23,000           | -  | 20,100           |
| Main Street/related projects | 15,500           | 15,500           | 36,598           | (21,098)                                 | 26,626           |
| Tourist welcome center       | 10,000           | 10,000           | 10,085           | (85)                                     | 10,000           |
| Drug task force              | 35,000           | 35,000           | 35,000           | -  | 35,000           |
| Miscellaneous                | <u>47,000</u>    | <u>42,000</u>    | <u>36,957</u>    | <u>5,043</u>                             | <u>31,202</u>    |
| Total administrative         | <u>1,229,500</u> | <u>1,297,500</u> | <u>1,326,780</u> | <u>(29,280)</u>                          | <u>1,192,127</u> |
| Airport expenses -           |                  |                  |                  |  |                  |
| Salaries                     | 20,000           | 20,000           | 20,000           | -  | 20,000           |
| Payroll taxes                | 1,500            | 1,500            | 1,530            | (30)                                     | 1,530            |
| Utilities and telephone      | 14,000           | 14,000           | 14,983           | (983)                                    | 14,668           |
| Equipment operating          | 6,000            | 9,000            | 3,864            | 5,136                                    | 1,514            |
| Repairs and maintenance      | 11,000           | 14,000           | 14,957           | (957)                                    | 11,009           |
| Professional services        | 20,000           | 20,000           | 17,649           | 2,351                                    | 23,114           |
| Supplies                     | 15,000           | 15,000           | 3,101            | 11,899                                   | 8,007            |
| Miscellaneous                | <u>2,500</u>     | <u>1,500</u>     | <u>1,664</u>     | <u>(164)</u>                             | <u>3,284</u>     |
| Total airport                | <u>90,000</u>    | <u>95,000</u>    | <u>77,748</u>    | <u>17,252</u>                            | <u>83,126</u>    |

(continued)

CITY OF ABBEVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule – Expenditures (Continued)  
Year Ended December 31, 2021  
With Comparative Actual Amounts for the Year Ended December 31, 2020

|                          | 2021             |                  |                  | Variance -<br>Favorable<br>(Unfavorable) | 2020<br>Actual   |
|--------------------------|------------------|------------------|------------------|--|------------------|
|                          | Budget           |                  | Actual           |  |                  |
|                          | Original         | Final            |                  |  |                  |
| City Court -             |                  |                  |                  |  |                  |
| Salaries                 | \$ 114,000       | \$ 114,000       | \$ 113,541       | \$ 459                                   | \$ 113,505       |
| Employees' insurance     | 100,000          | 110,000          | 126,007          | (16,007)                                 | 93,231           |
| Payroll taxes            | 9,000            | 10,000           | 9,934            | 66                                       | 10,007           |
| Retirement               | 30,000           | 34,000           | 34,956           | (956)                                    | 33,054           |
| General insurance        | 22,000           | 22,000           | 22,764           | (764)                                    | 21,513           |
| Equipment operating      | 5,000            | 5,000            | 5,349            | (349)                                    | 3,065            |
| Repair and maintenance   | 4,000            | 4,000            | 1,169            | 2,831                                    | 42               |
| Utilities                | 4,000            | 4,000            | 2,692            | 1,308                                    | 4,757            |
| Witness fees             | 4,000            | 4,000            | 2,300            | 1,700                                    | 2,550            |
| Legal                    | 32,000           | 32,000           | 31,915           | 85                                       | 31,246           |
| Miscellaneous            | 1,000            | 1,000            | 1,042            | (42)                                     | 648              |
| Total city court         | <u>325,000</u>   | <u>340,000</u>   | <u>351,669</u>   | <u>(11,669)</u>                          | <u>313,618</u>   |
| Tax & Licenses -         |                  |                  |                  |  |                  |
| Salaries                 | 71,000           | 73,000           | 74,532           | (1,532)                                  | 71,139           |
| Employees' insurance     | 27,000           | 30,000           | 35,292           | (5,292)                                  | 27,450           |
| Payroll taxes            | 5,000            | 5,000            | 5,296            | (296)                                    | 5,115            |
| Retirement               | 9,000            | 11,000           | 10,679           | 321                                      | 9,071            |
| Postage                  | 1,000            | 1,000            | -                | 1,000                                    | -                |
| Supplies                 | 21,000           | 25,000           | 31,026           | (6,026)                                  | 24,055           |
| Miscellaneous            | 1,000            | 10,000           | 10,820           | (820)                                    | 421              |
| Total motor pool         | <u>135,000</u>   | <u>155,000</u>   | <u>167,645</u>   | <u>(12,645)</u>                          | <u>137,251</u>   |
| Civil Service -          |                  |                  |                  |  |                  |
| Salaries                 | 16,000           | 10,000           | 9,686            | 314                                      | 11,463           |
| Payroll taxes            | 1,500            | 1,000            | 710              | 290                                      | 791              |
| Supplies                 | 500              | 1,000            | 1,669            | (669)                                    | -                |
| Medical services         | 7,000            | 3,000            | 8,258            | (5,258)                                  | 6,677            |
| Legal fees               | -                | 5,000            | 4,660            | 340                                      | 5,118            |
| Total civil service      | <u>25,000</u>    | <u>20,000</u>    | <u>24,983</u>    | <u>(4,983)</u>                           | <u>24,049</u>    |
| Total general government | <u>1,804,500</u> | <u>1,907,500</u> | <u>1,948,825</u> | <u>(41,325)</u>                          | <u>1,750,171</u> |

(continued)

CITY OF ABBEVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule – Expenditures (Continued)  
Year Ended December 31, 2021  
With Comparative Actual Amounts for the Year Ended December 31, 2020

|                         | 2021             |                  | Actual           | Variance -<br>Favorable<br>(Unfavorable) | 2020<br>Actual   |
|-------------------------|------------------|------------------|------------------|--|------------------|
|                         | Budget           |                  |                  |  |                  |
|                         | Original         | Final            |                  |  |                  |
| Public Safety:          |                  |                  |                  |  |                  |
| Police -                |                  |                  |                  |  |                  |
| Salaries                | \$ 1,770,000     | \$ 1,670,000     | \$ 1,643,129     | \$ 26,871                                | \$ 1,749,974     |
| Employees' insurance    | 539,000          | 668,000          | 736,281          | (68,281)                                 | 548,067          |
| Payroll taxes           | 33,500           | 33,500           | 36,496           | (2,996)                                  | 34,334           |
| Retirement              | 478,000          | 430,000          | 418,277          | 11,723                                   | 467,257          |
| General insurance       | 270,000          | 270,000          | 271,050          | (1,050)                                  | 254,084          |
| Equipment operating     | 140,000          | 140,000          | 164,270          | (24,270)                                 | 157,365          |
| Uniforms                | 15,000           | 15,000           | 12,400           | 2,600                                    | 14,096           |
| Supplies                | 41,500           | 46,000           | 30,530           | 15,470                                   | 44,789           |
| Membership dues         | 8,000            | 8,000            | 1,130            | 6,870                                    | 7,988            |
| Prisoner housing        | 65,000           | 64,000           | 54,759           | 9,241                                    | 61,369           |
| Utilities               | 12,000           | 12,000           | 11,720           | 280                                      | 13,100           |
| Telephone               | 32,000           | 40,000           | 47,281           | (7,281)                                  | 33,906           |
| Dog expenses            | 5,000            | -                | -                | -  | 3,307            |
| DARE program            | 5,000            | 1,000            | 3,748            | (2,748)                                  | 6,225            |
| Schools and convention  | 10,000           | 5,000            | 1,162            | 3,838                                    | 2,223            |
| Professional fees       | 35,000           | 35,000           | 35,651           | (651)                                    | 33,928           |
| Surveillance contract   | 71,000           | 71,000           | 71,016           | (16)                                     | -                |
| Miscellaneous           | 21,000           | 20,500           | 31,792           | (11,292)                                 | 33,611           |
| Total police            | <u>3,551,000</u> | <u>3,529,000</u> | <u>3,570,692</u> | <u>(41,692)</u>                          | <u>3,465,623</u> |
| Fire -                  |                  |                  |                  |  |                  |
| Salaries                | 2,000,000        | 2,000,000        | 2,020,206        | (20,206)                                 | 2,056,189        |
| Employees' insurance    | 590,000          | 730,000          | 792,704          | (62,704)                                 | 606,845          |
| Payroll taxes           | 170,000          | 170,000          | 158,592          | 11,408                                   | 175,268          |
| Retirement              | 620,000          | 660,000          | 668,388          | (8,388)                                  | 644,597          |
| General insurance       | 242,000          | 242,000          | 238,687          | 3,313                                    | 206,030          |
| Equipment operating     | 72,000           | 82,000           | 80,865           | 1,135                                    | 60,454           |
| Uniforms                | 15,000           | 15,000           | 22,079           | (7,079)                                  | 18,413           |
| Supplies                | 33,000           | 33,000           | 33,932           | (932)                                    | 40,883           |
| Utilities               | 20,000           | 20,000           | 20,682           | (682)                                    | 19,385           |
| Telephone               | 10,000           | 10,000           | 11,904           | (1,904)                                  | 11,386           |
| Maintenance and repairs | 6,000            | 6,000            | 10,886           | (4,886)                                  | 11,598           |
| Professional services   | 3,000            | 3,000            | 1,185            | 1,815                                    | 1,280            |
| Schools and conventions | 15,000           | 15,000           | 18,585           | (3,585)                                  | 3,620            |
| Miscellaneous           | 14,000           | 14,000           | 15,062           | (1,062)                                  | 13,584           |
| Total fire              | <u>3,810,000</u> | <u>4,000,000</u> | <u>4,093,757</u> | <u>(93,757)</u>                          | <u>3,869,532</u> |
| Total public safety     | <u>7,361,000</u> | <u>7,529,000</u> | <u>7,664,449</u> | <u>(135,449)</u>                         | <u>7,335,155</u> |

(continued)

CITY OF ABBEVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule – Expenditures (Continued)  
Year Ended December 31, 2021  
With Comparative Actual Amounts for the Year Ended December 31, 2020

|                                | 2021             |                  |                  |  |                  |
|--------------------------------|------------------|------------------|------------------|--|------------------|
|                                | Budget           |                  | Actual           | Variance -<br>Favorable<br>(Unfavorable) | 2020<br>Actual   |
|                                | Original         | Final            |                  |  |                  |
| <b>Highways and Streets:</b>   |                  |                  |                  |  |                  |
| Salaries                       | \$ 390,000       | \$ 395,000       | \$ 412,567       | \$ (17,567)                              | \$ 367,330       |
| Employees' insurance           | 110,000          | 140,000          | 163,230          | (23,230)                                 | 112,280          |
| Payroll taxes                  | 29,000           | 30,000           | 30,558           | (558)                                    | 26,801           |
| Retirement                     | 43,000           | 45,000           | 46,693           | (1,693)                                  | 45,765           |
| General insurance              | 182,000          | 184,000          | 186,259          | (2,259)                                  | 175,711          |
| Equipment operating            | 78,000           | 98,000           | 101,604          | (3,604)                                  | 61,765           |
| Utilities and telephone        | 22,000           | 22,000           | 21,223           | 777                                      | 23,928           |
| Professional services          | 10,000           | 10,000           | 1,505            | 8,495                                    | 4,255            |
| Maintenance of grass           | 115,000          | 115,000          | 130,008          | (15,008)                                 | 111,700          |
| Small tools and supplies       | 18,000           | 19,000           | 21,802           | (2,802)                                  | 30,227           |
| Maintenance materials          | 30,000           | 30,000           | 33,789           | (3,789)                                  | 17,959           |
| Electricity for street lights  | 80,000           | 80,000           | 75,935           | 4,065                                    | 76,097           |
| Uniforms                       | 10,000           | 10,000           | 9,751            | 249                                      | 10,085           |
| Miscellaneous                  | <u>10,000</u>    | <u>7,000</u>     | <u>3,721</u>     | <u>3,279</u>                             | <u>6,834</u>     |
| Total highways<br>and streets  | <u>1,127,000</u> | <u>1,185,000</u> | <u>1,238,645</u> | <u>(53,645)</u>                          | <u>1,070,737</u> |
| <b>Culture and Recreation:</b> |                  |                  |                  |  |                  |
| <b>Parks -</b>                 |                  |                  |                  |  |                  |
| Salaries                       | 132,000          | 107,000          | 105,289          | 1,711                                    | 112,946          |
| Employees' insurance           | 23,000           | 23,000           | 23,988           | (988)                                    | 21,650           |
| Payroll taxes                  | 10,500           | 8,000            | 8,018            | (18)                                     | 8,471            |
| Retirement                     | 12,500           | 10,000           | 9,850            | 150                                      | 12,101           |
| General insurance              | 16,000           | 16,000           | 13,359           | 2,641                                    | 12,931           |
| Equipment operating            | 8,000            | 8,000            | 9,176            | (1,176)                                  | 5,548            |
| Supplies                       | 11,500           | 13,000           | 11,936           | 1,064                                    | 7,657            |
| Repairs and maintenance        | 73,000           | 94,000           | 91,603           | 2,397                                    | 86,466           |
| Utilities and telephone        | 67,000           | 58,500           | 54,972           | 3,528                                    | 53,536           |
| Security and janitorial        | -                | -                | 470              | (470)                                    | 904              |
| Youth recreation               | 77,000           | 96,000           | 95,840           | 160                                      | 68,750           |
| Miscellaneous                  | <u>9,500</u>     | <u>12,500</u>    | <u>23,761</u>    | <u>(11,261)</u>                          | <u>10,219</u>    |
| Total parks                    | <u>440,000</u>   | <u>446,000</u>   | <u>448,262</u>   | <u>(2,262)</u>                           | <u>401,179</u>   |

(continued)

CITY OF ABBEVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule – Expenditures (Continued)  
Year Ended December 31, 2021  
With Comparative Actual Amounts for the Year Ended December 31, 2020

|                      | 2021                 |                      | Actual               | Variance -<br>Favorable<br>(Unfavorable) | 2020<br>Actual       |
|----------------------|----------------------|----------------------|----------------------|--|----------------------|
|                      | Budget               |                      |                      |  |                      |
|                      | Original             | Final                |                      |  |                      |
| Capital outlay:      |                      |                      |                      |  |                      |
| General government - |                      |                      |                      |  |                      |
| Administrative       | \$ 2,500             | \$ 2,500             | \$ -                 | \$ 2,500                                 | \$ 12,363            |
| Airport              | 5,000                | -                    | -                    | -  | 18,936               |
| Public safety -      |                      |                      |                      |  |                      |
| Police               | <u>5,000</u>         | <u>5,000</u>         | <u>-</u>             | <u>5,000</u>                             | <u>-</u>             |
| Total capital outlay | <u>12,500</u>        | <u>7,500</u>         | <u>-</u>             | <u>7,500</u>                             | <u>31,299</u>        |
| Total expenditures   | <u>\$ 10,745,000</u> | <u>\$ 11,075,000</u> | <u>\$ 11,300,181</u> | <u>\$ (225,181)</u>                      | <u>\$ 10,588,541</u> |



CITY OF ABBEVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule – Other Financing Sources (Uses)  
Year Ended December 31, 2021  
With Comparative Actual Amounts for the Year Ended December 31, 2020

|                                   | 2021                    |                         |                         | Variance -<br>Favorable<br>(Unfavorable) | 2020<br>Actual          |
|-----------------------------------|-------------------------|-------------------------|-------------------------|--|-------------------------|
|                                   | Budget                  |                         | Actual                  |  |                         |
|                                   | Original                | Final                   |                         |  |                         |
| Other financing sources:          |                         |                         |                         |  |                         |
| Transfers from other funds -      |                         |                         |                         |  |                         |
| Utility Fund                      | \$ 6,235,000            | \$ 6,350,000            | \$ 6,627,028            | \$ 277,028                               | \$ 6,174,232            |
| Sales Tax Fund                    | 2,719,000               | 3,069,000               | 3,014,135               | (54,865)                                 | 2,785,053               |
|                                   | -                       | -                       | -                       | -  | -                       |
| Airport Improvement Fund          | -                       | 4,000                   | -                       | (4,000)                                  | -                       |
| Transfers to other funds -        |                         |                         |                         |  |                         |
| Sales Tax Fund                    | -                       | (56,000)                | (56,335)                | (335)                                    | -                       |
| Utility Fund                      | -                       | (150,000)               | (35,185)                | \$ 114,815                               | \$ -                    |
| Airport Improvement Fund          | -                       | -                       | -                       | -  | (9,592)                 |
| <br>Total other financing sources | <br><u>\$ 8,954,000</u> | <br><u>\$ 9,217,000</u> | <br><u>\$ 9,549,643</u> | <br><u>\$ 332,643</u>                    | <br><u>\$ 8,949,693</u> |

**NONMAJOR GOVERNMENTAL FUNDS**

CITY OF ABBEVILLE, LOUISIANA  
Nonmajor Governmental Funds

Combining Balance Sheet  
December 31, 2021  
With comparative Totals for December 31, 2020

|                                      | Special<br>Revenue | Debt<br>Service   | Capital<br>Projects | Totals            |                   |
|--------------------------------------|--------------------|-------------------|---------------------|-------------------|-------------------|
|                                      |                    |                   |                     | 2021              | 2020              |
| <b>ASSETS</b>                        |                    |                   |                     |                   |                   |
| Cash and interest-bearing deposits   | \$ 163,585         | \$ 602,641        | \$ -                | \$ 766,226        | \$ 753,389        |
| Receivables -                        |                    |                   |                     |                   |                   |
| Ad valorem taxes                     | 13,184             | -                 | -                   | 13,184            | 39,275            |
| Other receivable                     | -                  | -                 | -                   | -                 | -                 |
| Due from other funds                 | -                  | -                 | 4,000               | 4,000             | -                 |
| Due from other governments           | -                  | -                 | 18,516              | 18,516            | 3,750             |
|                                      | <u>\$ 176,769</u>  | <u>\$ 602,641</u> | <u>\$ 22,516</u>    | <u>\$ 801,926</u> | <u>\$ 796,414</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                    |                   |                     |                   |                   |
| Liabilities:                         |                    |                   |                     |                   |                   |
| Accounts payable                     | \$ -               | \$ -              | \$ 22,516           | \$ 22,516         | \$ 3,819          |
| Total liabilities                    | <u>-</u>           | <u>-</u>          | <u>22,516</u>       | <u>22,516</u>     | <u>3,819</u>      |
| Fund balances:                       |                    |                   |                     |                   |                   |
| Restricted for economic development  | 24,078             | -                 | -                   | 24,078            | 24,078            |
| Restricted for fire protection       | 120,815            | -                 | -                   | 120,815           | 94,071            |
| Restricted for sewer improvement     | 31,876             | -                 | -                   | 31,876            | 87,551            |
| Assigned for debt service            | -                  | 602,641           | -                   | 602,641           | 586,895           |
| Total fund balances                  | <u>176,769</u>     | <u>602,641</u>    | <u>-</u>            | <u>779,410</u>    | <u>792,595</u>    |
| Total liabilities and fund balances  | <u>\$ 176,769</u>  | <u>\$ 602,641</u> | <u>\$ 22,516</u>    | <u>\$ 801,926</u> | <u>\$ 796,414</u> |

CITY OF ABBEVILLE, LOUISIANA  
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended December 31, 2021  
With Comparative Totals for the Year Ended December 31, 2020

|   | Special<br>Revenue | Debt<br>Service   | Capital<br>Projects | Totals            |                   |
|---|--------------------|-------------------|---------------------|-------------------|-------------------|
|   |                    |                   |                     | 2021              | 2020              |
| Revenues:   |                    |                   |                     |                   |                   |
| Taxes   | \$ 84,703          | \$ -              | \$ -                | \$ 84,703         | \$ 86,388         |
| Intergovernmental   | 132,237            | -                 | 226,137             | 358,374           | 321,612           |
| Miscellaneous   | <u>201</u>         | <u>360</u>        | <u>-</u>            | <u>561</u>        | <u>891</u>        |
| Total revenues  | <u>217,141</u>     | <u>360</u>        | <u>226,137</u>      | <u>443,638</u>    | <u>408,891</u>    |
| Expenditures:   |                    |                   |                     |                   |                   |
| Current -   |                    |                   |                     |                   |                   |
| General government  | -                  | -                 | 246,137             | 246,137           | 8,148             |
| Fire protection   | 9,076              | -                 | -                   | 9,076             | -                 |
| Capital outlay  | 8,415              | -                 | -                   | 8,415             | 290,213           |
| Debt service -  |                    |                   |                     |                   |                   |
| Principal retirement  | -                  | 714,000           | -                   | 714,000           | 694,000           |
| Interest and fiscal charges   | <u>-</u>           | <u>50,151</u>     | <u>-</u>            | <u>50,151</u>     | <u>65,959</u>     |
| Total expenditures  | <u>17,491</u>      | <u>764,151</u>    | <u>246,137</u>      | <u>1,027,779</u>  | <u>1,058,320</u>  |
| Deficiency of revenues<br>over expenditures   | <u>199,650</u>     | <u>(763,791)</u>  | <u>(20,000)</u>     | <u>(584,141)</u>  | <u>(649,429)</u>  |
| Other financing sources (uses):   |                    |                   |                     |                   |                   |
| Proceeds from bond  | -                  | -                 | -                   | -                 | -                 |
| Transfers in  | -                  | 779,537           | 20,000              | 799,537           | 780,994           |
| Transfers out   | <u>(228,581)</u>   | <u>-</u>          | <u>-</u>            | <u>(228,581)</u>  | <u>(89,654)</u>   |
| Total financing sources (uses)  | <u>(228,581)</u>   | <u>779,537</u>    | <u>20,000</u>       | <u>570,956</u>    | <u>691,340</u>    |
| Excess (deficiency) of revenues<br>and other financing sources<br>over expenditures and other<br>financing uses | (28,931)           | 15,746            | -                   | (13,185)          | 41,911            |
| Fund balance, beginning   | <u>205,700</u>     | <u>586,895</u>    | <u>-</u>            | <u>792,595</u>    | <u>750,684</u>    |
| Fund balance, ending  | <u>\$ 176,769</u>  | <u>\$ 602,641</u> | <u>\$ -</u>         | <u>\$ 779,410</u> | <u>\$ 792,595</u> |

## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Public Improvement (Sewer) Fund**

This fund accounts for the receipt and disbursement of ad valorem taxes dedicated to public improvement of the City's sewer facilities.

### **Maintenance and Operation – Fire Department Fund**

This fund accounts for the receipt and disbursement of proceeds from the Vermilion Parish Police Jury to be used for the purpose of construction, acquiring, improving, and maintaining fire department facilities and equipment.

### **Economic Development District No. 1**

This fund accounts for the receipt and disbursement of proceeds from the half cent sales and use tax within the boundaries of Economic District No. 1.

CITY OF ABBEVILLE, LOUISIANA  
Nonmajor Special Revenue Funds

Combining Balance Sheet  
December 31, 2021  
With Comparative Totals for December 31, 2020

|  | Public<br>Improvement<br>Sewer<br>Fund | Maint. and<br>Operation -<br>Fire Dept.<br>Fund | Economic<br>Development<br>District No. 1<br>Fund | Totals            |                   |
|--|--|---|---|-------------------|-------------------|
|  |  |   |   | 2021              | 2020              |
| <b>ASSETS</b>                          |  |   |   |                   |                   |
| Interest-bearing deposits              | \$ 18,692                              | \$ 120,815                                      | \$ 24,078   | \$ 163,585        | \$ 166,494        |
| Receivables:                           |  |   |   |                   |                   |
| Ad valorem taxes                       | <u>13,184</u>                          | <u>-</u>  | <u>-</u>  | <u>13,184</u>     | <u>39,275</u>     |
| Total assets                           | <u>\$ 31,876</u>                       | <u>\$ 120,815</u>                               | <u>\$ 24,078</u>                                  | <u>\$ 176,769</u> | <u>\$ 205,769</u> |
| <b>LIABILITIES AND FUND BALANCES</b>   |  |   |   |                   |                   |
| Liabilities:                           |  |   |   |                   |                   |
| Accounts payable                       | \$ -                                   | \$ -  | \$ -  | \$ -              | \$ 69             |
| Total liabilities                      | <u>-</u>                               | <u>-</u>  | <u>-</u>  | <u>-</u>          | <u>69</u>         |
| Fund balances:                         |  |   |   |                   |                   |
| Restricted for economic<br>development | -                                      | -   | 24,078  | 24,078            | 24,078            |
| Restricted for fire protection         | -                                      | 120,815   | -   | 120,815           | 94,071            |
| Restricted for sewer<br>improvements   | <u>31,876</u>                          | <u>-</u>  | <u>-</u>  | <u>31,876</u>     | <u>87,551</u>     |
| Total fund balances                    | <u>31,876</u>                          | <u>120,815</u>                                  | <u>24,078</u>                                     | <u>176,769</u>    | <u>205,700</u>    |
| Total liabilities and<br>fund balances | <u>\$ 31,876</u>                       | <u>\$ 120,815</u>                               | <u>\$ 24,078</u>                                  | <u>\$ 176,769</u> | <u>\$ 205,769</u> |

CITY OF ABBEVILLE, LOUISIANA  
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended December 31, 2021  
With Comparative Totals for the Year Ended December 31, 2020

|  | Public                       | Maint. and                        | Economic                              | Totals            |                   |
|--|------------------------------|-----------------------------------|---------------------------------------|-------------------|-------------------|
|  | Improvement<br>Sewer<br>Fund | Operation -<br>Fire Dept.<br>Fund | Development<br>District No. 1<br>Fund | 2021              | 2020              |
| <b>Revenues:</b>   |                              |                                   |                                       |                   |                   |
| Taxes  | \$ 84,703                    | \$ -                              | \$ -                                  | \$ 84,703         | \$ 86,388         |
| Intergovernmental  | -                            | 132,237                           | -                                     | 132,237           | 141,438           |
| Other revenues   | -                            | 201                               | -                                     | 201               | 217               |
| Total revenues   | <u>84,703</u>                | <u>132,438</u>                    | <u>-</u>                              | <u>217,141</u>    | <u>228,043</u>    |
| <b>Expenditures:</b>   |                              |                                   |                                       |                   |                   |
| Current -  |                              |                                   |                                       |                   |                   |
| General government -   |                              |                                   |                                       |                   |                   |
| Economic development   | -                            | -                                 | -                                     | -                 | 8,148             |
| Public safety -  |                              |                                   |                                       |                   |                   |
| Fire protection  | -                            | 9,076                             | -                                     | 9,076             | -                 |
| Capital outlay   | -                            | 8,415                             | -                                     | 8,415             | 102,204           |
| Total expenditures   | <u>-</u>                     | <u>17,491</u>                     | <u>-</u>                              | <u>17,491</u>     | <u>110,352</u>    |
| Excess (deficiency) of revenues over expenditures                          | <u>84,703</u>                | <u>114,947</u>                    | <u>-</u>                              | <u>199,650</u>    | <u>117,691</u>    |
| <b>Other financing sources (uses):</b>                                     |                              |                                   |                                       |                   |                   |
| Transfers out  | <u>(140,378)</u>             | <u>(88,203)</u>                   | <u>-</u>                              | <u>(228,581)</u>  | <u>(87,897)</u>   |
| Total financing sources (uses)   | <u>(140,378)</u>             | <u>(88,203)</u>                   | <u>-</u>                              | <u>(228,581)</u>  | <u>(87,897)</u>   |
| Excess (deficiency) of revenues over expenditures and other financing uses | (55,675)                     | 26,744                            | -                                     | (28,931)          | 29,794            |
| Fund balances, beginning   | <u>87,551</u>                | <u>94,071</u>                     | <u>24,078</u>                         | <u>205,700</u>    | <u>175,906</u>    |
| Fund balances, ending  | <u>\$ 31,876</u>             | <u>\$ 120,815</u>                 | <u>\$ 24,078</u>                      | <u>\$ 176,769</u> | <u>\$ 205,700</u> |

CITY OF ABBEVILLE, LOUISIANA  
Nonmajor Special Revenue Fund  
Public Improvement Sewer Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance –  
Budget (GAAP Basis) and Actual  
Year Ended December 31, 2021  
With Comparative Actual Amounts for the Year Ended December 31, 2020

|  | 2021               |                  | Actual           | Variance -<br>Favorable<br>(Unfavorable) | 2020<br>Actual   |
|--|--------------------|------------------|------------------|--|------------------|
|  | Original<br>Budget | Final<br>Budget  |                  |  |                  |
| Revenues:  |                    |                  |                  |  |                  |
| Taxes -  |                    |                  |                  |  |                  |
| Ad valorem taxes   | \$ 83,000          | \$ 84,000        | \$ 84,703        | \$ 703                                   | \$ 86,388        |
| Other revenues -   |                    |                  |                  |  |                  |
| Miscellaneous  | -                  | -                | -                | -  | -                |
| Interest   | -                  | -                | -                | -  | 39               |
| Total revenues   | <u>83,000</u>      | <u>84,000</u>    | <u>84,703</u>    | <u>703</u>                               | <u>86,427</u>    |
| Expenditures:  |                    |                  |                  |  |                  |
| Current -  |                    |                  |                  |  |                  |
| General government   | -                  | -                | -                | -  | 8,148            |
| Capital outlay   | -                  | -                | -                | -  | 51,610           |
| Total expenditures   | <u>-</u>           | <u>-</u>         | <u>-</u>         | <u>-</u>                                 | <u>59,758</u>    |
| Excess of revenues<br>over expenditures  | 83,000             | 84,000           | 84,703           | 703                                      | 26,669           |
| Other financing sources (uses):  |                    |                  |                  |  |                  |
| Transfers out  | <u>(80,000)</u>    | <u>(90,000)</u>  | <u>(140,378)</u> | <u>(50,378)</u>                          | <u>-</u>         |
| Total other financing sources (uses)   | <u>(80,000)</u>    | <u>(90,000)</u>  | <u>(140,378)</u> | <u>(50,378)</u>                          | <u>-</u>         |
| Excess (deficiency) of revenues<br>over expenditures and other<br>financing uses | 3,000              | (6,000)          | (55,675)         | (49,675)                                 | 26,669           |
| Fund balance, beginning  | <u>87,551</u>      | <u>87,551</u>    | <u>87,551</u>    | <u>-</u>                                 | <u>60,882</u>    |
| Fund balance, ending   | <u>\$ 90,551</u>   | <u>\$ 81,551</u> | <u>\$ 31,876</u> | <u>\$ (49,675)</u>                       | <u>\$ 87,551</u> |



CITY OF ABBEVILLE, LOUISIANA  
Nonmajor Special Revenue Fund  
Maintenance and Operation – Fire Department Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance –  
Budget (GAAP Basis) and Actual  
Year Ended December 31, 2021  
With Comparative Actual Amounts for the Year Ended December 31, 2020

|   | 2021               |                   |                   | Variance -<br>Favorable<br>(Unfavorable) | 2020<br>Actual   |
|---|--------------------|-------------------|-------------------|--|------------------|
|   | Original<br>Budget | Final<br>Budget   | Actual            |  |                  |
| Revenues:   |                    |                   |                   |  |                  |
| Intergovernmental -   |                    |                   |                   |  |                  |
| Federal grants  | \$ -               | \$ -              | \$ -              | \$ -                                     | \$ 21,629        |
| Vermilion Parish Police Jury -  |                    |                   |                   |  |                  |
| Fire protection   | 95,000             | 95,000            | 95,140            | 140                                      | 95,140           |
| Fire insurance tax  | -                  | 37,000            | 37,097            | 97                                       | 24,669           |
| Other -   |                    |                   |                   |  |                  |
| Interest and other revenue  | -                  | -                 | 201               | 201                                      | 178              |
| Total revenues  | <u>95,000</u>      | <u>132,000</u>    | <u>132,438</u>    | <u>438</u>                               | <u>141,616</u>   |
| Expenditures:   |                    |                   |                   |  |                  |
| Maintenance and repairs   | 25,000             | 10,000            | 9,076             | 924                                      | -                |
| Capital outlay  | -                  | -                 | 8,415             | (8,415)                                  | 50,594           |
| Total expenditures  | <u>25,000</u>      | <u>10,000</u>     | <u>17,491</u>     | <u>(7,491)</u>                           | <u>50,594</u>    |
| Deficiency of revenues<br>over expenditures                                     | 70,000             | 122,000           | 114,947           | (7,053)                                  | 91,022           |
| Other financing sources (uses):   |                    |                   |                   |  |                  |
| Transfers out   | (88,000)           | (88,000)          | (88,203)          | (203)                                    | (87,897)         |
| Total other financing sources (uses)  | <u>(88,000)</u>    | <u>(88,000)</u>   | <u>(88,203)</u>   | <u>(203)</u>                             | <u>(87,897)</u>  |
| Deficiency of revenues<br>and other sources over<br>expenditures and other uses | (18,000)           | 34,000            | 26,744            | (7,256)                                  | 3,125            |
| Fund balance, beginning   | <u>94,071</u>      | <u>94,071</u>     | <u>94,071</u>     | -  | <u>90,946</u>    |
| Fund balance, ending  | <u>\$ 76,071</u>   | <u>\$ 128,071</u> | <u>\$ 120,815</u> | <u>\$ (7,256)</u>                        | <u>\$ 94,071</u> |

CITY OF ABBEVILLE, LOUISIANA  
 Nonmajor Special Revenue Fund  
 Economic Development District No. 1 Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance –  
 Budget (GAAP Basis) and Actual  
 Year Ended December 31, 2021  
 With Comparative Actual Amounts for the Year Ended December 31, 2020

|   | 2021               |                 |           | Variance -<br>Favorable<br>(Unfavorable) | 2020<br>Actual |
|---|--------------------|-----------------|-----------|--|----------------|
|   | Original<br>Budget | Final<br>Budget | Actual    |  |                |
| Revenues:                               |                    |                 |           |  |                |
| Taxes -                                 |                    |                 |           |  |                |
| Sales taxes                             | \$ -               | \$ -            | \$ -      | \$ -                                     | \$ -           |
| Other revenues -                        |                    |                 |           |  |                |
| Interest                                | -                  | -               | -         | -  | -              |
| Total revenues                          | -                  | -               | -         | -  | -              |
| Expenditures:                           |                    |                 |           |  |                |
| Current -                               |                    |                 |           |  |                |
| General government -                    |                    |                 |           |  |                |
| Capital outlay                          | 10,000             | -               | -         | -  | -              |
| Total expenditures                      | 10,000             | -               | -         | -  | -              |
| Excess of revenues<br>over expenditures | (10,000)           | -               | -         | -  | -              |
| Fund balance, beginning                 | 24,078             | 24,078          | 24,078    | -  | 24,078         |
| Fund balance, ending                    | \$ 14,078          | \$ 24,078       | \$ 24,078 | \$ -                                     | \$ 24,078      |

## **NONMAJOR DEBT SERVICE FUNDS**

### **2012 Revenue Refunding Bond Fund**

This fund accumulates monies for payment of the \$4,160,000 Revenue Refunding Bonds, Series 2012. Debt service is financed by transfers from the Sales Tax Fund and the Maintenance and Operation – Fire Department Fund.

### **2014 Sales Tax Revenue Bond Fund**

This fund accumulates monies for payment of the \$2,100,000 Sales Tax Revenue Bonds, Series 2014. Debt service is financed by transfers from the Sales Tax Fund.

### **2016 Revenue Bond Fund**

This fund accumulates monies for payment of the \$600,000 Revenue Bonds, Series 2016. Debt service is financed by transfers from the Maintenance and Operation – Fire Department Fund.

### **2021 Revenue Bond Fund**

This fund accumulates monies for payment of the \$3,000,000 Revenue Bonds, Series 2021. Debt service is financed by transfers from the Sales Tax Fund.

CITY OF ABBEVILLE, LOUISIANA  
Nonmajor Debt Service Funds

Combining Balance Sheet  
December 31, 2021  
With Comparative Totals for December 31, 2020

|   | <u>2012</u>                       | <u>2014</u>                       | <u>2016</u>             | <u>2021</u>             | <u>Totals</u>     |                   |
|---|-----------------------------------|-----------------------------------|-------------------------|-------------------------|-------------------|-------------------|
|   | Revenue<br>Refunding<br>Bond Fund | Sales Tax<br>Revenue<br>Bond Fund | Revenue<br>Bond<br>Fund | Revenue<br>Bond<br>Fund | <u>2021</u>       | <u>2020</u>       |
| <b>ASSETS</b>                           |                                   |                                   |                         |                         |                   |                   |
| Interest - bearing deposits             | <u>\$ 399,536</u>                 | <u>\$ 125,092</u>                 | <u>\$ 69,120</u>        | <u>\$ 8,893</u>         | <u>\$ 602,641</u> | <u>\$ 586,895</u> |
| <b>LIABILITIES AND<br/>FUND BALANCE</b> |                                   |                                   |                         |                         |                   |                   |
| Liabilities:                            |                                   |                                   |                         |                         |                   |                   |
| Accounts payable                        | \$ -                              | \$ -                              | \$ -                    | \$ -                    | \$ -              | \$ -              |
| Fund balance:                           |                                   |                                   |                         |                         |                   |                   |
| Assigned for debt service               | <u>399,536</u>                    | <u>125,092</u>                    | <u>69,120</u>           | <u>8,893</u>            | <u>602,641</u>    | <u>586,895</u>    |
| Total liabilities and<br>fund balance   | <u>\$ 399,536</u>                 | <u>\$ 125,092</u>                 | <u>\$ 69,120</u>        | <u>\$ 8,893</u>         | <u>\$ 602,641</u> | <u>\$ 586,895</u> |

CITY OF ABBEVILLE, LOUISIANA  
Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended December 31, 2021  
With Comparative Totals for December 31, 2020

|  | 2012<br>Revenue<br>Refunding<br>Bond Fund | 2014<br>Sales Tax<br>Revenue<br>Bond Fund | 2016<br>Revenue<br>Bond<br>Fund | 2021<br>Revenue<br>Bond<br>Fund | Totals            |                   |
|--|---|---|---------------------------------|---------------------------------|-------------------|-------------------|
|  |   |   |                                 |                                 | <u>2021</u>       | <u>2020</u>       |
| Revenues:  |   |   |                                 |                                 |                   |                   |
| Other revenues -   |   |   |                                 |                                 |                   |                   |
| Interest income  | \$ 229                                    | \$ 90                                     | \$ 40                           | \$ 1                            | \$ 360            | \$ 674            |
| Expenditures:  |   |   |                                 |                                 |                   |                   |
| Debt service -   |   |   |                                 |                                 |                   |                   |
| Principal retirement   | 461,000                                   | 176,000                                   | 77,000                          | -                               | 714,000           | 694,000           |
| Interest and fiscal charges  | <u>15,851</u>                             | <u>24,088</u>                             | <u>10,134</u>                   | <u>78</u>                       | <u>50,151</u>     | <u>65,959</u>     |
| Total expenditures   | <u>476,851</u>                            | <u>200,088</u>                            | <u>87,134</u>                   | <u>78</u>                       | <u>764,151</u>    | <u>759,959</u>    |
| Deficiency of revenues<br>over expenditures                            | <u>(476,622)</u>                          | <u>(199,998)</u>                          | <u>(87,094)</u>                 | <u>(77)</u>                     | <u>(763,791)</u>  | <u>(759,285)</u>  |
| Other financing sources:   |   |   |                                 |                                 |                   |                   |
| Transfers in   | <u>480,310</u>                            | <u>202,054</u>                            | <u>88,203</u>                   | <u>8,970</u>                    | <u>779,537</u>    | <u>771,402</u>    |
| Excess of revenues and<br>other financing sources<br>over expenditures | 3,688                                     | 2,056                                     | 1,109                           | 8,893                           | 15,746            | 12,117            |
| Fund balance, beginning  | <u>395,848</u>                            | <u>123,036</u>                            | <u>68,011</u>                   | <u>-</u>                        | <u>586,895</u>    | <u>574,778</u>    |
| Fund balance, ending   | <u>\$ 399,536</u>                         | <u>\$ 125,092</u>                         | <u>\$ 69,120</u>                | <u>\$ 8,893</u>                 | <u>\$ 602,641</u> | <u>\$ 586,895</u> |

## **NONMAJOR CAPITAL PROJECTS FUNDS**

### **LCDBG Street Improvement Fund**

This fund accounts for improvement projects for the LCDBG. Program expenditures are generally funded by federal and state grants.

CITY OF ABBEVILLE, LOUISIANA  
Nonmajor Capital Projects Funds

Combining Balance Sheet  
December 31, 2021  
With Comparative Totals for December 31, 2020

|                                      | LCDBG<br>Street<br>Improvement<br>Fund | <u>Totals</u>    |                 |
|--------------------------------------|--|------------------|-----------------|
|                                      |  | <u>2021</u>      | <u>2020</u>     |
| <b>ASSETS</b>                        |  |                  |                 |
| Cash and interest - bearing deposits | \$ -                                   | \$ -             | \$ -            |
| Due from other fund                  | 4,000                                  | 4,000            | -               |
| Due from other governments           | <u>18,516</u>                          | <u>18,516</u>    | <u>3,750</u>    |
|                                      | <u>\$ 22,516</u>                       | <u>\$ 22,516</u> | <u>\$ 3,750</u> |
| <b>LIABILITIES AND FUND BALANCE</b>  |  |                  |                 |
| Liabilities:                         |  |                  |                 |
| Accounts payable                     | 22,516                                 | \$ 22,516        | \$ 3,750        |
| Due to other fund                    | <u>-</u>                               | <u>-</u>         | <u>-</u>        |
| Total liabilities                    | <u>22,516</u>                          | <u>22,516</u>    | <u>3,750</u>    |
| Fund balance:                        |  |                  |                 |
| Unassigned                           | <u>-</u>                               | <u>-</u>         | <u>-</u>        |
| Total liabilities and fund balance   | <u>\$ 22,516</u>                       | <u>\$ 22,516</u> | <u>\$ 3,750</u> |

CITY OF ABBEVILLE, LOUISIANA  
Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended December 31, 2021  
With Comparative Totals for the Year Ended December 31, 2020

|   | LCDBG<br>Street<br>Improvement<br>Fund | Totals         |                |
|---|--|----------------|----------------|
|   |  | 2021           | 2020           |
| Revenues:   |  |                |                |
| Federal grants  | \$ 226,137                             | \$ 226,137     | \$ -           |
| State grants  | <u>-</u>                               | <u>-</u>       | <u>180,174</u> |
| Total revenues  | <u>226,137</u>                         | <u>226,137</u> | <u>180,174</u> |
| Expenditures:   |  |                |                |
| Current -   |  |                |                |
| Professional services   | 246,137                                | 246,137        | -              |
| Capital outlay -  |  |                |                |
| Airport improvements  | -                                      | -              | 188,009        |
| Park renovations  | <u>-</u>                               | <u>-</u>       | <u>-</u>       |
| Total expenditures  | <u>246,137</u>                         | <u>246,137</u> | <u>188,009</u> |
| Excess (deficiency) of revenues<br>over expenditures                                | (20,000)                               | (20,000)       | (7,835)        |
| Other financing sources:  |  |                |                |
| Bonds proceeds  | -                                      | -              | -              |
| Transfers in  | 20,000                                 | 20,000         | 9,592          |
| Transfers out   | <u>-</u>                               | <u>-</u>       | <u>(1,757)</u> |
| Total financing sources (uses)  | <u>20,000</u>                          | <u>20,000</u>  | <u>7,835</u>   |
| Excess (deficiency) of revenues<br>and other financing sources<br>over expenditures | -                                      | -              | -              |
| Fund balance, beginning   | <u>-</u>                               | <u>-</u>       | <u>-</u>       |
| Fund balance, ending  | <u>\$ -</u>                            | <u>\$ -</u>    | <u>\$ -</u>    |



CITY OF ABBEVILLE, LOUISIANA  
Enterprise Fund  
Utility System Fund

Comparative Departmental Analysis of Revenues and Expenses  
Years Ended December 31, 2021 and 2020

|  | Electric            |                     | Water             |                  |
|--|---------------------|---------------------|-------------------|------------------|
|  | 2021                | 2020                | 2021              | 2020             |
| Operating revenues:                                  |                     |                     |                   |                  |
| Charges for services                                 | \$ 12,318,284       | \$ 12,040,801       | \$ 2,015,704      | \$ 1,908,046     |
| Other revenues                                       | <u>245,674</u>      | <u>230,262</u>      | <u>10,910</u>     | <u>11,917</u>    |
| Total operating revenues                             | <u>12,563,958</u>   | <u>12,271,063</u>   | <u>2,026,614</u>  | <u>1,919,963</u> |
| Operating expenses:                                  |                     |                     |                   |                  |
| Salaries   | 476,275             | 430,359             | 503,959           | 503,950          |
| Employees' insurance                                 | 140,194             | 96,419              | 188,756           | 143,518          |
| OPEB (benefit) expense                               | 33,871              | 44,442              | 25,157            | 29,857           |
| Payroll taxes  | 33,837              | 30,877              | 38,521            | 38,189           |
| Retirement   | 55,784              | 46,095              | 59,679            | 53,809           |
| Pension (benefit) obligation expense                 | (12,923)            | 62,827              | (62,574)          | 3,618            |
| General insurance                                    | 92,662              | 91,402              | 77,685            | 72,622           |
| Equipment operating expense                          | 30,007              | 37,100              | 32,292            | 25,913           |
| Maintenance and repairs - systems                    | 475,808             | 280,458             | 142,511           | 124,906          |
| Electricity for pumps                                | -                   | -                   | 42                | 48               |
| Utilities  | -                   | -                   | 127,049           | 123,892          |
| Materials, tools and supplies                        | 44,905              | 25,116              | 179,390           | 157,682          |
| Electric power purchased                             | 6,114,729           | 6,020,631           | -                 | -                |
| Office expense, postage and<br>computer processing   | -                   | -                   | -                 | -                |
| Bad debts and collection fees                        | -                   | -                   | -                 | -                |
| Miscellaneous  | 195,179             | 1,095,578           | 17,122            | 27,847           |
| Depreciation   | 350,434             | 321,167             | 237,534           | 248,505          |
| Allocation of general and<br>administrative expenses | <u>391,328</u>      | <u>410,089</u>      | <u>293,496</u>    | <u>307,567</u>   |
| Total operating expenses                             | <u>8,422,090</u>    | <u>8,992,560</u>    | <u>1,860,619</u>  | <u>1,861,923</u> |
| Operating income (loss)                              | <u>\$ 4,141,868</u> | <u>\$ 3,278,503</u> | <u>\$ 165,995</u> | <u>\$ 58,040</u> |

| Sewerage         |                    | General and Administrative |                    | Totals              |                     |
|------------------|--------------------|----------------------------|--------------------|---------------------|---------------------|
| 2021             | 2020               | 2021                       | 2020               | 2021                | 2020                |
| \$ 1,944,114     | \$ 1,862,271       | \$ -                       | \$ -               | \$ 16,278,102       | \$ 15,811,118       |
| 124,308          | 30,810             | -                          | -                  | 380,892             | 272,989             |
| <u>2,068,422</u> | <u>1,893,081</u>   | <u>-</u>                   | <u>-</u>           | <u>16,658,994</u>   | <u>16,084,107</u>   |
| 409,581          | 371,131            | 388,674                    | 412,478            | 1,778,489           | 1,717,918           |
| 127,850          | 89,541             | 213,895                    | 151,545            | 670,695             | 481,023             |
| 22,941           | 27,728             | 38,381                     | 46,928             | 120,350             | 148,955             |
| 30,431           | 27,056             | 28,372                     | 30,522             | 131,161             | 126,644             |
| 51,269           | 44,557             | 57,755                     | 57,811             | 224,487             | 202,272             |
| (12,156)         | 515                | -                          | -                  | (87,653)            | 66,960              |
| 62,625           | 60,499             | 13,359                     | 12,995             | 246,331             | 237,518             |
| 32,722           | 19,126             | 27,407                     | 33,031             | 122,428             | 115,170             |
| 241,514          | 223,996            | -                          | -                  | 859,833             | 629,360             |
| 57,830           | 51,422             | -                          | -                  | 57,872              | 51,470              |
| 122,126          | 109,146            | 12,496                     | 14,234             | 261,671             | 247,272             |
| 73,340           | 63,888             | -                          | -                  | 297,635             | 246,686             |
| -                | -                  | -                          | -                  | 6,114,729           | 6,020,631           |
| -                | -                  | 98,752                     | 92,777             | 98,752              | 92,777              |
| -                | -                  | 36,486                     | 72,796             | 36,486              | 72,796              |
| 44,798           | 47,821             | 11,817                     | 14,880             | 268,916             | 1,186,126           |
| 462,897          | 487,747            | 50,926                     | 85,225             | 1,101,791           | 1,142,644           |
| <u>293,496</u>   | <u>307,567</u>     | <u>(978,320)</u>           | <u>(1,025,222)</u> | <u>-</u>            | <u>-</u>            |
| <u>2,021,264</u> | <u>1,931,740</u>   | <u>-</u>                   | <u>-</u>           | <u>12,303,973</u>   | <u>12,786,222</u>   |
| <u>\$ 47,158</u> | <u>\$ (38,659)</u> | <u>\$ -</u>                | <u>\$ -</u>        | <u>\$ 4,355,021</u> | <u>\$ 3,297,885</u> |

**COMPLIANCE, INTERNAL CONTROL  
AND  
OTHER MATTERS**

Independent Auditor's Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements  
Performed in Accordance with  
*Government Auditing Standards*

The Honorable Mark Piazza, Mayor  
And Members of the City Council  
City of Abbeville, 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 Abbeville, Louisiana, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Abbeville, Louisiana's basic financial statements and have issued our report thereon dated May 9, 2022.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

### **Purpose of this Report**

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

***Darnall, Sikes, & Frederick***

A Corporation of Certified Public Accountants

Abbeville, Louisiana  
May 9, 2022

Independent Auditor's Report on Compliance for  
Each Major Program and on Internal Control  
Over Compliance Required by the Uniform Guidance

The Honorable Mark Piazza, Mayor  
And Members of the City Council  
City of Abbeville, Louisiana

**Report on Compliance for Each Major Federal Program**

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

We have audited City of Abbeville, Louisiana's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of City of Abbeville, Louisiana's major federal programs for the year ended December 31, 2021. City of Abbeville, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Abbeville, Louisiana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

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

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### ***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Darnall, Sikes, & Frederick*

A Corporation of Certified Public Accountants

Abbeville, Louisiana

May 9, 2022



CITY OF ABBEVILLE, LOUISIANA

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2021

PART I SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been expressed on the primary government's governmental activities, business type activities, and each major fund financial statements as of and for the year ended December 31, 2021.

Due to the omission of the financial data of the legally separate component units of the City of Abbeville, Louisiana, we have expressed an adverse opinion on the aggregate discretely presented component units' opinion unit.

Internal Control Deficiencies - Financial Reporting

No significant deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.

Material Noncompliance – Financial Reporting

No instances of noncompliance material to the financial statements were disclosed during the audit of the financial statements.

FEDERAL AWARDS

Major Program – Identification

The City of Abbeville, Louisiana for the year ended December 31, 2021, had one major program Airport Improvement Program and COVID-19 Airport Program, which received funds from the Department of Transportation.

Low-Risk Auditee

The City of Abbeville, Louisiana, is not considered a low-risk auditee for the year ended December 31, 2021.

Major Program – Threshold

The dollar threshold to distinguish Type A and Type B programs is \$750,000 for the year ended December 31, 2021.

Auditor's Report – Major Program

An unmodified opinion has been issued on the City of Abbeville, Louisiana's compliance for its major programs as of and for the year ended December 31, 2021.

CITY OF ABBEVILLE, LOUISIANA

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2021

PART I SUMMARY OF AUDITOR'S RESULTS (continued)

Control and Significant Deficiencies and Material Weaknesses – Major Program

There were no significant deficiencies noted during the audit of the major federal program.

Compliance Finding Related to Major Program

The audit did not disclose any material noncompliance or questioned costs relative to its major federal programs.

PART II FINDINGS RELATING TO AN AUDIT IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The audit did not disclose any findings that would require disclosure.

PART III FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL PROGRAMS

This section is not applicable for the year ended December 31, 2021.

PART IV MANAGEMENT LETTER

A management letter was not issued for the year ended December 31, 2021.

CITY OF ABBEVILLE, LOUISIANA

Summary Schedule of Prior Year Audit Findings  
Year Ended December 31, 2021

Prior year audit findings:

There were no prior year audit findings.

CITY OF ABBEVILLE, LOUISIANA

Summary Schedule of Management's Corrective Action Plan  
Year Ended December 31, 2021

There are no current audit findings.

CITY OF ABBEVILLE, LOUISIANA

Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2021

| <u>FEDERAL GRANTOR/PROGRAM TITLE</u>  | <u>FEDERAL<br/>CFDA<br/>NUMBER</u> | <u>PROGRAM<br/>OR AWARD<br/>AMOUNT</u> | <u>FEDERAL<br/>REVENUE<br/>RECOGNIZED</u> | <u>FEDERAL<br/>EXPENDITURES</u> |
|---|------------------------------------|--|---|---------------------------------|
| U.S. Department of Homeland Security<br>Passed through Homeland Security and<br>Emergency Preparedness<br>Disaster Grants - Public Assistance<br>(Presidentially Declared Disasters)            | 97.036                             | \$ 350,939                             | \$ 350,939                                | \$ 350,939                      |
| U.S. Department of Transportation<br>Airport Improvement Program and<br>COVID-19 Airports Programs  | 20.106                             | 1,585,506                              | 1,585,506                                 | 1,585,506                       |
| U.S. Department of Housing and Urban Development<br>Passed through Office of Community Development<br>Community Development Block Grants/State's<br>Program and Non-Entitlement Grants in Hawii | 14.228                             | 250,000                                | 226,137                                   | 226,137                         |
| U.S. Department of the Treasury<br>Coronavirus State and Local Fiscal Recovery Funds  | 21.027                             | <u>4,452,283</u>                       | <u>2,226,141</u>                          | <u>35,185</u>                   |
| Total federal grants  |                                    | <u>\$ 6,638,728</u>                    | <u>\$ 4,388,723</u>                       | <u>\$ 2,197,767</u>             |

Note A - Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards include the federal grant activity of the the City of Abbeville, Louisiana and has been prepared using the modified accrual basis of accounting as contemplated under generally accepted accounting principles and which is the same basis of accounting used for presenting the fund financial statements. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administration Requirements*, Cost Principles, and Audit Requirements for Federal Grants. Therefore, some amounts presented in this table may differ from amounts presented in, or used in the presentation of, the financial statements.



OTHER LOCATIONS:

Lafayette    Morgan City    Abbeville

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

To the Governing Board of City of Abbeville and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

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

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

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

b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

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

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

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

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

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

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

Written policies and procedures were obtained and do address the functions noted above with the exception of (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules for all departments.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

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

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

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

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

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

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

Written policies and procedures were obtained and do address the functions noted above with the exception of (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

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

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

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

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

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

Written policies and procedures were obtained and do address the functions noted above with the exception of (2) annual employee training, and (3) annual reporting.

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

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

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

Obtained and inspected minutes of the board for the fiscal period noting that the board met at least monthly in accordance with the entity's policy.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Minutes do not reference or include monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual on proprietary funds, and semi-annual budget-to-actual on all special revenue funds. Per review of the minutes, there were two meetings that included quarterly budget-to-actual comparisons on all funds for the quarter ended March 31 and June 30, 2021.

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

Obtained the prior year audit report and observed the unassigned fund balance in the general fund noting that the ending balance was positive.

### ***Bank Reconciliations***

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

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

Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date.



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

Bank reconciliations do not include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

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

There were no reconciling items noted that were outstanding for more than 12 months from the statement closing date.

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

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

Obtained a listing of deposit sites for the fiscal period, and management provided representation that the listing is complete. Selected all deposit sites as there were less than 5.

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

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

At one of the collection locations, employees that are responsible for cash collections do share cash drawers/registers.

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

At two of the collection locations, employees that are responsible for collecting cash are responsible for preparing deposits.

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

Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.

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

At one of the collection locations, the employee responsible for collecting cash is responsible for reconciling cash collections to the general ledger.

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

Obtained from management a copy of the bond policy for theft covering all employees who have access to cash and observed that the policy was enforced during the fiscal period.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

Observed that receipts were sequentially pre-numbered for six of the ten deposits. The remaining four deposits were not required to issue a receipt.

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

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

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

Traced the deposit slip totals to the actual deposit per the bank statement.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Observed that the deposits were made within one business day of receipt at the collection location.

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

Traced the actual deposits per the bank statement to the general ledger.

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

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained a listing of locations that process payments for the fiscal period, and management provided representation that the listing is complete. Selected all locations as there were less than 5.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.

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

Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]]

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

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

Observed that the disbursements matched the related original itemized invoice and that supporting documentation indicates that deliverables on the invoice were received by the City.

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

Observed that the disbursement documentation included evidence of segregation of duties tested.

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

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

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

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for

excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.])

Observed that there is evidence that the monthly statement and supporting documentation was reviewed and approved, in writing by someone other than the authorized card holder.

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

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

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

No exceptions noted.

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

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

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

Observed that reimbursements using a per diem are no more than those rates established by the State of Louisiana or the U. S. General Services Administration.

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

Observed that reimbursements using actual costs are supported by an original itemized receipt identifying precisely what was purchased.

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

Observed that each reimbursement is supported by documentation of the business/public purpose and other documentation required by written policy.

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

Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

### ***Contracts***

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

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

Observed that the contracts were bid in accordance with Louisiana Public Bid Law.

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

Observed that the contracts were approved by the board.

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

Observed that one contract was amended and that the amendment was made in compliance with the contract terms.

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

Randomly selected one payment from each of the 5 contracts, and observed that the invoice and payment agreed to the terms and conditions of the contract.

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

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

Obtained a listing of employees and officials employed during the fiscal period, and management provided representation that the listing is complete. Randomly selected 5 employees, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

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

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

Observed that all selected employees documented their daily attendance and leave.

b) Observe that supervisors approved the attendance and leave of the selected employees or officials.  
Observed that supervisors approved the attendance and leave of the selected employees.

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

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

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

Obtained a listing of employees that received termination payments during the fiscal period, and management provided representation that the listing is complete. Randomly selected two employees and agreed the hours paid to the employees' cumulate leave records, pay rates to the employees' authorized pay rates, and termination payments to entity policy.

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

Management provided representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

### ***Ethics***

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

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

The five employees selected for testing did have documentation to demonstrate that the required ethics training was completed.

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

No changes were made to the entity's ethics policy during the fiscal period.

### ***Debt Service***

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

Obtained a listing of bonds issued during the fiscal period, and management provided representation that the listing is complete. Observed that State Bond Commission approval was obtained for each debt instrument issued.

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

Obtained a listing of bonds outstanding at the end of the fiscal period, and management provided representation that the listing is complete. Inspected debt covenants noting no reserve balance required. Agreed payments to those required by debt covenants.

### ***Fraud Notice***

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

Management has asserted that the City did not have any misappropriations of public funds or assets during the reporting period.

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

Observed that the entity has posted on its premises and website the required notice.

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

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

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

### ***Sexual Harassment***

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

The five employees selected for testing did have documentation to demonstrate that the required sexual harassment training was completed.

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

Observed that the entity has posted its sexual harassment policy and complaint procedures on its website.

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

- a. Number and percentage of public servants in the agency who have completed the training requirements;

Observed that the report included requirements as stated above.

- b. Number of sexual harassment complaints received by the agency;

Observed that the report included requirements as stated above.

- c. Number of complaints which resulted in a finding that sexual harassment occurred;

Observed that the report included requirements as stated above.

- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Observed that the report included requirements as stated above.

- e. Amount of time it took to resolve each complaint.

Observed that the report included requirements as stated above.



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

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

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

## *Darnall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Eunice, Louisiana

May 9, 2022