

CITY OF WESTLAKE, LOUISIANA  
ANNUAL FINANCIAL REPORT AND INDEPENDENT  
AUDITORS' REPORTS  
YEAR ENDED JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

May 31, 2022

To the Members of the City Council  
City of Westlake, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type actives and each major fund of the City of Westlake, Louisiana as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Westlake, Louisiana's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

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

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

To the Members of the City Council  
May 31, 2022  
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City of Westlake, Louisiana, as of June 30, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of employer's proportionate share of net pension liability and the schedule of employer's compensation on pages 45 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The City has not presented 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Westlake, Louisiana's basic financial statements. The other information on pages 50 through 52 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards (pages 53) is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other information and the Schedule of Expenditures of Federal Awards are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 other information is 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, 31 2022, on our consideration of City of Westlake, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Westlake, Louisiana's internal control over financial reporting and compliance.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

CITY OF WESTLAKE, LOUISIANA  
STATEMENT OF NET POSITION  
June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash	\$ 1,252,811	\$ 2,777,671	\$ 4,030,482
Investments	1,771,970	242,568	2,014,538
Receivables	8,333,161	466,851	8,800,012
Interfund receivable	4,923	-	4,923
Inventories	-	136,395	136,395
Prepaid insurance	1,451	78,362	79,813
Capital assets:			
Land and construction in progress	13,084,856	12,111,078	25,195,934
Capital assets, net	15,619,793	13,567,813	29,187,606
<b>TOTAL ASSETS</b>	<b><u>\$ 40,068,965</u></b>	<b><u>\$ 29,380,738</u></b>	<b><u>\$ 69,449,703</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>1,368,083</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,368,083</u></b>
<b>LIABILITIES</b>			
Accounts and other accrued payables	\$ 8,395,557	\$ 544,922	\$ 8,940,479
Customer meter deposits	-	373,503	373,503
Interest payable	-	88,283	88,283
Unearned revenue	529,698	-	529,698
Interfund payable	-	4,923	4,923
Long-term liabilities:			
Net pension liability	3,568,240	-	3,568,240
Due within one year	76,919	1,043,243	1,120,162
Due after one year	693,730	5,530,074	6,223,804
<b>TOTAL LIABILITIES</b>	<b><u>\$ 13,264,144</u></b>	<b><u>\$ 7,584,948</u></b>	<b><u>\$ 20,849,092</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b><u>2,772,236</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,772,236</u></b>
<b>NET POSITION</b>			
Net invested in capital assets	\$ 28,704,649	\$ 19,105,574	\$ 47,810,223
Net position - Restricted	991,237	-	991,237
Net position - Unrestricted	(4,295,218)	2,690,216	(1,605,002)
<b>TOTAL NET POSITION</b>	<b><u>\$ 25,400,668</u></b>	<b><u>\$ 21,795,790</u></b>	<b><u>\$ 47,196,458</u></b>

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



CITY OF WESTLAKE, LOUISIANA  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2021

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net position		Total
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:						
General and administrative	\$ 696,515	\$ 466,031	8,285,822	\$ 8,055,338	\$ -	\$ 8,055,338
Public safety:						
Police	1,584,383	789,365	-	(795,018)	-	(795,018)
Fire	1,556,138	-	1,208,188	(347,950)	-	(347,950)
Highway and streets	846,356	-	-	(846,356)	-	(846,356)
Cemeteries	23,479	-	-	(23,479)	-	(23,479)
Civil defense	14,048	-	-	(14,048)	-	(14,048)
Post office	17,619	75,708	-	58,089	-	58,089
City court	84,046	-	-	(84,046)	-	(84,046)
Total Governmental Activities	4,822,584	1,331,104	9,494,010	6,002,530	-	6,002,530
Business-type activities:						
Utility	5,313,435	5,196,254	60,888	-	(56,293)	(56,293)
Golf course	2,179,924	1,406,753	-	-	(773,171)	(773,171)
Total primary government	<u>\$ 12,315,943</u>	<u>\$ 7,934,111</u>	<u>\$ 9,494,010</u>	6,002,530	(829,464)	5,173,066
General Revenues:						
Tax revenue				4,140,766	181,648	4,322,414
Investment income				1,400	992	2,392
Hurricane recovery				(9,194,550)	-	(9,194,550)
Miscellaneous expense				-	(3,511)	(3,511)
Miscellaneous income				11,462	55,460	66,922
Insurance proceeds				1,935,523	-	1,935,523
Distribution - gaming industry				316,078	-	316,078
Transfers				(926,500)	926,500	-
Total general revenues				<u>(3,715,821)</u>	<u>1,161,089</u>	<u>(2,554,732)</u>
Change in net position				2,286,709	331,625	2,618,334
Net position - Beginning				<u>23,113,959</u>	<u>21,464,165</u>	<u>44,578,124</u>
Net position - Ending				<u>\$ 25,400,668</u>	<u>\$ 21,795,790</u>	<u>\$ 47,196,458</u>

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

## FUND FINANCIAL STATEMENTS

## FUND DESCRIPTIONS

### General Fund

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

### Capital Projects Fund

The capital projects fund is 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).

### LCDBG – Sewer Rehabilitation Project

The LCDBG – Sewer Rehabilitation Project fund is used to account for the grant monies received from the United States Department of Housing and Urban Development for a Sewer Rehabilitation Project.

### Proprietary Funds

#### Utility Fund

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

#### Golf Course and Real Estate Development

To account for the operations of the City golf course and the real estate development around the golf course.

CITY OF WESTLAKE, LOUISIANA  
BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2021

	General	Capital Projects	LCDBG - Sewer Rehabilitation Project	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 916,774	\$ 336,032	\$ 5	\$ 1,252,811
Investments	560,047	1,211,923	-	1,771,970
Receivables (net, where applicable, of allowance for uncollectibles):				
Accounts receivable	7,627,098	600,155	105,908	8,333,161
Interfund receivables	4,923	-	-	4,923
Prepaid expense	1,451	-	-	1,451
<b>TOTAL ASSETS</b>	<u>9,110,293</u>	<u>2,148,110</u>	<u>105,913</u>	<u>11,364,316</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 9,110,293</u>	<u>\$ 2,148,110</u>	<u>\$ 105,913</u>	<u>\$ 11,258,403</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 7,412,629	\$ 867,288	\$ 105,908	\$ 8,385,825
Retainage payable	9,732	-	-	9,732
Unearned income	240,108	289,590	-	529,698
<b>TOTAL LIABILITIES</b>	<u>7,662,469</u>	<u>1,156,878</u>	<u>105,908</u>	<u>8,925,255</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted for:				
Capital projects	-	991,232	5	991,237
Unassigned	1,447,824	-	-	1,447,824
<b>TOTAL FUND BALANCES</b>	<u>1,447,824</u>	<u>991,232</u>	<u>5</u>	<u>2,439,061</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 9,110,293</u>	<u>\$ 2,148,110</u>	<u>\$ 105,913</u>	<u>\$ 11,364,316</u>

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

CITY OF WESTLAKE, LOUISIANA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2021

Total fund balance for governmental fund at June 30, 2021:		\$ 2,439,061
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet. Those assets consist of:</p>		
Land and construction in progress	\$ 13,084,856	
Capital assets, net of \$13,028,319 accumulated depreciation	15,619,793	28,704,649
<p>Deferred outflows and inflows for pension resources and long-term debt are not financial resources or currently payable:</p>		
Deferred inflows related to pensions		(2,772,236)
Deferred outflows related to pensions		1,368,083
<p>Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet:</p>		
Compensated absences	(281,240)	
Capital lease	(489,409)	
Net pension liability	(3,568,240)	(4,338,889)
Total net position of governmental activities at June 30, 2021		\$ 25,400,668

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

CITY OF WESTLAKE, LOUISIANA  
STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2021

	General	Capital Projects	LCDBG - Sewer Rehabilitation Project	Total
<b>REVENUES</b>				
Taxes and special assessments	\$ 3,443,667	\$ 697,099	\$ -	\$ 4,140,766
Licenses and permits	454,304	-	-	454,304
Intergovernmental	1,208,188	-	-	1,208,188
Charges for services	11,727	-	-	11,727
Fines and forfeits	789,365	-	-	789,365
Investment income	862	538	-	1,400
Miscellaneous income	11,462	-	-	11,462
Insurance proceeds	1,935,523	-	-	1,935,523
Grant proceeds	7,341,014	595,426	334,912	8,271,352
Donations	14,470	-	-	14,470
Post office lease	75,708	-	-	75,708
Distribution - gaming industry	-	316,078	-	316,078
<b>TOTAL REVENUES</b>	<b>15,286,290</b>	<b>1,609,141</b>	<b>334,912</b>	<b>17,230,343</b>
<b>EXPENDITURES</b>				
Current:				
General and administrative	882,085	12,215	-	894,300
Police	1,705,277	-	-	1,705,277
Fire	1,711,061	-	-	1,711,061
Streets	429,633	16,161	-	445,794
Cemeteries	23,479	-	-	23,479
Civil defense	10,101	-	-	10,101
Post office	16,203	-	-	16,203
City court	96,512	-	-	96,512
Hurricane recovery	9,194,550	-	-	9,194,550
Capital Outlay	348,198	3,004,792	385,373	3,738,363
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>14,417,099</b>	<b>3,033,168</b>	<b>385,373</b>	<b>17,835,640</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>869,191</b>	<b>(1,424,027)</b>	<b>(50,461)</b>	<b>(605,297)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	-	-	-
Operating transfers out	(581,000)	(345,500)	-	(926,500)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(581,000)</b>	<b>(345,500)</b>	<b>-</b>	<b>(926,500)</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>288,191</b>	<b>(1,769,527)</b>	<b>(50,461)</b>	<b>(1,531,797)</b>
<b>FUND BALANCE - BEGINNING</b>	<b>1,159,633</b>	<b>2,760,759</b>	<b>50,466</b>	<b>3,970,858</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 1,447,824</b>	<b>\$ 991,232</b>	<b>\$ 5</b>	<b>\$ 2,439,061</b>

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

CITY OF WESTLAKE, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2021

Total net changes in fund balance at June 30, 2021 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (1,531,797)
<p>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.</p> <p>Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances</p>		
	\$ 3,738,363	
Depreciation expense for the year ended June 30, 2021	<u>(823,551)</u>	2,914,812
 Net decrease in compensated absences		 39,011
 Net pension (expense) benefit is reported in the governmental fund as expenditures as they are paid, however, in the statement of activities the net position (expense benefit is reported according to estimates required by GASB 68.		 <u>864,683</u>
 Total changes in net position at June 30, 2021 per Statement of Activities		 <u><u>\$ 2,286,709</u></u>

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

CITY OF WESTLAKE, LOUISIANA  
STATEMENT OF NET POSITION - PROPRIETARY FUND  
June 30, 2021

	Utility	Golf Course and Real Estate Development	Total Proprietary Funds
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,601,686	\$ 95,065	\$ 2,696,751
Investments	32,758	-	32,758
Accounts receivable, net of allowance for for uncollectibles	353,004	113,847	466,851
Inventories	43,694	92,701	136,395
Prepaid insurance	77,211	1,151	78,362
Restricted assets:			
Cash and cash equivalents	80,920	-	80,920
Investments	209,810	-	209,810
Total current assets	3,399,083	302,764	3,701,847
Property, plant and equipment			
Buildings, plant and distribution system	29,117,133	5,258,779	34,375,912
Furniture, fixtures and equipment	2,029,337	2,303,239	4,332,576
	31,146,470	7,562,018	38,708,488
Less accumulated depreciation	18,808,818	6,331,857	25,140,675
	12,337,652	1,230,161	13,567,813
Land	337,431	11,641,127	11,978,558
Construction in progress	132,520	-	132,520
Total property, plant and equipment	12,807,603	12,871,288	25,678,891
<b>TOTAL ASSETS</b>	<b>\$ 16,206,686</b>	<b>\$ 13,174,052</b>	<b>\$ 29,380,738</b>
DEFERRED OUTFLOWS OF RESOURCES			
	\$ -	\$ -	\$ -
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 139,763	\$ 204,999	\$ 344,762
Retainage payable	9,732	-	9,732
Accrued sick payable	96,559	-	96,559
Accrued vacation payable	30,470	-	30,470
Accrued compensation	63,399	-	63,399
Interest payable	88,283	-	88,283
Interfund payables	4,923	-	4,923
Security deposits payable	373,503	-	373,503
Total current liabilities	806,632	204,999	1,011,631
Long-term liabilities:			
Due within one year	1,019,000	24,243	1,043,243
Due after one year	5,500,000	30,074	5,530,074
Total long-term liabilities	6,519,000	54,317	6,573,317
<b>TOTAL LIABILITIES</b>	<b>\$ 7,325,632</b>	<b>\$ 259,316</b>	<b>\$ 7,584,948</b>
DEFERRED INFLOWS OF RESOURCES			
	\$ -	\$ -	\$ -
<b>NET POSITION</b>			
Net invested in capital assets	\$ 6,288,603	\$ 12,816,971	\$ 19,105,574
Net position - Unrestricted	2,592,451	97,765	2,690,216
<b>TOTAL NET POSITION</b>	<b>\$ 8,881,054</b>	<b>\$ 12,914,736</b>	<b>\$ 21,795,790</b>

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



CITY OF WESTLAKE, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION - PROPRIETARY FUND  
Year Ended June 30, 2021

	<u>Utility</u>	<u>Golf Course and Real Estate Development</u>	<u>Total Proprietary Funds</u>
<b>OPERATING REVENUES</b>			
Charge for utility services	\$ 5,117,474	\$ -	\$ 5,117,474
Charges for golf course	-	1,406,753	1,406,753
Tap fees	<u>78,780</u>	<u>-</u>	<u>78,780</u>
Total Operating Revenues	5,196,254	1,406,753	6,603,007
<b>OPERATING EXPENSES</b>			
Personnel services	1,037,776	695,697	1,733,473
Contractual services	414,806	-	414,806
Supplies	976,537	822,729	1,799,266
Other services and charges	1,088,638	244,845	1,333,483
Heat, light, and power	151,131	42,774	193,905
Sewage usage expense	965,788	-	965,788
Depreciation and amortization expense	<u>509,628</u>	<u>372,373</u>	<u>882,001</u>
Total Operating Expenses	<u>5,144,304</u>	<u>2,178,418</u>	<u>7,322,722</u>
OPERATING INCOME (LOSS)	51,950	(771,665)	(719,715)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Tax revenue	181,648	-	181,648
Investment income	904	88	992
Grant income	60,888	-	60,888
Miscellaneous income	55,460	-	55,460
Miscellaneous expenses	-	(3,511)	(3,511)
Interest expense	<u>(169,131)</u>	<u>(1,506)</u>	<u>(170,637)</u>
Total Non-operating Revenues (Expenses)	129,769	(4,929)	124,840
INCOME (LOSS) BEFORE OPERATING TRANSFERS	181,719	(776,594)	(594,875)
Operating transfers in	556,000	370,500	926,500
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	737,719	(406,094)	331,625
NET POSITION, BEGINNING	<u>8,143,335</u>	<u>13,320,830</u>	<u>21,464,165</u>
NET POSITION, ENDING	<u>\$ 8,881,054</u>	<u>\$ 12,914,736</u>	<u>\$ 21,795,790</u>

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

CITY OF WESTLAKE, LOUISIANA  
STATEMENT OF CASH FLOWS -  
PROPRIETARY FUND  
Year Ended June 30, 2021

	Utility	Golf Course and Real Estate Development	Total Proprietary Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ 5,286,937	\$ 1,367,493	\$ 6,654,430
Payments to suppliers	(3,674,107)	(995,071)	(4,669,178)
Payments to employees	(989,466)	(695,697)	(1,685,163)
Net cash from operating activities	<u>623,364</u>	<u>(323,275)</u>	<u>300,089</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchase of fixed assets	-	(13,462)	(13,462)
Principle payments on debt	(987,000)	(12,523)	(999,523)
Interest payments on debt	(169,131)	(1,506)	(170,637)
Net cash from investment activities	<u>(1,156,131)</u>	<u>(27,491)</u>	<u>(1,183,622)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Miscellaneous income	55,460	-	55,460
Miscellaneous expense	-	(3,511)	(3,511)
Tax revenues	181,648	-	181,648
Grant income	60,888	-	60,888
Operating transfers in	556,000	370,500	926,500
Operating transfers out	-	-	-
Net cash from non-capital financing activities	<u>853,996</u>	<u>366,989</u>	<u>1,220,985</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Earnings of investments	904	88	992
Sale of investments	105,745	-	105,745
Net cash from investing activities	<u>106,649</u>	<u>88</u>	<u>106,737</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>427,878</b>	<b>16,311</b>	<b>444,189</b>
<b>CASH - BEGINNING</b>	<b><u>2,254,729</u></b>	<b><u>78,754</u></b>	<b><u>2,333,483</u></b>
<b>CASH - ENDING</b>	<b><u>\$ 2,682,607</u></b>	<b><u>\$ 95,065</u></b>	<b><u>\$ 2,777,672</u></b>
<b>Reconciliation of operating income (loss) to net cash from operating activities:</b>			
Operating income (loss)	\$ 51,950	\$ (771,665)	\$ (719,715)
<b>Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>			
Depreciation	509,628	372,373	882,001
(Increase) decrease in receivables	90,683	(39,260)	51,423
(Increase) decrease in inventories	-	42,705	42,705
(Increase) decrease in prepaid insurance	-	13,989	13,989
Increase (decrease) in accounts payable	(87,992)	58,583	(29,409)
Increase (decrease) in retainage payable	-	-	-
Increase (decrease) in customer deposits	12,271	-	12,271
Increase (decrease) in accrued compensation	48,310	-	48,310
Increase (decrease) in interest payable	4,017	-	4,017
Increase (decrease) in interfund payable	(5,503)	-	(5,503)
Net cash from operating activities	<u>\$ 623,364</u>	<u>\$ (323,275)</u>	<u>\$ 300,089</u>

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

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Westlake, Louisiana, was incorporated on December 1, 1945, under the provisions of the Lawrason Act. The City operates a Mayor-City Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, recreation, public improvements, and general administrative services.

The accounting and reporting policies of the City of Westlake conform to accounting principles generally accepted in the United States of America as applicable to governments. 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.

1. Reporting Entity

The accompanying financial statements include the various departments, activities, and organizational units that are within the control and authority of the Mayor and Board of Aldermen of the City of Westlake, Louisiana.

The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board statement No. 14 (Codification Section 2100.120140). This statement defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Based on the foregoing criteria, the City of Westlake, Louisiana has no other fiscal or significant managerial responsibility over any other governmental unit that is not included in the financial statements of the City of Westlake, Louisiana.

2. Basis of Presentation

The accompanying basic financial statements of the City of Westlake, Louisiana have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments", issued in June 1999.

Government-Wide Financial Statements

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

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

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Financial Statements

The City uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Town functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the City are classified into three categories: governmental and proprietary. The emphasis on fund financial statements is on major funds, each displayed on a separate column. A fund is considered major if it is the primary operating fund of the City or its total assets, liabilities, revenues, or expenditures of the individual governmental and enterprise fund is at least 10 percent of the corresponding total for all governmental and enterprise funds of that category or type; and 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 City reports the following major funds:

The General Fund is the primary operating fund of the City. It accounts for all financial resources except those that are required to be accounted for in other funds.

The Capital Projects Fund is 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).

Proprietary Funds

The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises-where the intent of the governing body is that the costs (expenses, 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 accounts for gas, water and sewer services, and golf course and real estate development.

3. Measurement Focus/Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

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

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. 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.

4. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end.

Prior to the beginning of each fiscal year, the Mayor submits a budget to the City Council. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The City Council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated or the revenue estimates must be changed by an affirmative vote of a majority of the government's council.

Expenditures may not legally exceed budgeted appropriations at the activity level.

5. Cash and Investments

Cash

Cash includes amounts in demand deposits with a maturity date within three months of the date acquired by the City. State statutes authorize the City to invest in obligations of the U.S. Treasury, U.S. Government Agencies, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana, as stipulated in R.S. 39:1271, or any other federally insured investment. In addition, The City participates in the Louisiana Asset Management Pool, Inc. (LAMP). The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

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. 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. At June 30, 2021, the City has \$3,550,446 in deposits (collected bank balances). These deposits are secured from

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

risk by \$250,000 of federal deposit insurance and \$3,300,446 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

6. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet.

7. Accounts Receivable

Uncollectible amounts due for ad valorem taxes and other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

There appears to be concentration of credit risk with regard to general accounts receivable and more specifically accounts receivable for gas, water and sewer user fees in the Enterprise Funds. The City's ability to collect the amounts due from the users of the City gas, water and sewer system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disaster or other calamity in this one concentrated geographic location.

8. Prepaid expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2020 are recorded as prepaid items.

9. Capital Assets

Capital assets, which include property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and plant infrastructures	15-50 years
Furniture, Machinery and Equipment	5-15 years
Transportation equipment	3-5 years

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

10. Inventory

Inventory of the Utility Fund is valued at the lower of cost or net realizable value (first-in, first-out). Inventories consist of expendable supplies held for consumption. The expenditures are recognized when the items are purchased.

Inventory of the Golf Course and Real Estate Development Fund is stated at lower of cost or net realizable value under the first-in, first-out method of accounting for inventory. Inventories consist of expendable

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

supplies held for consumption and golf merchandise in the club house. The expenditures are recognized when the items are purchased.

11. Statement of Cash Flows

For the purpose of the statement of cash flows for the enterprise fund, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Ending cash of \$2,777,671 at June 30, 2021 represents unrestricted amounts of \$2,696,751 and restricted amounts of \$80,920.

12. Compensated Absences

Vested or accumulated compensated absences that is expected to be liquidated with expendable available financial resources is reported as expenditures and a liability of the governmental activities. \$281,240 is reported for these amounts. Vested or accumulated compensated absences of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. At June 30, 2021, liability for compensated absences was \$181,708 in the business-type activities.

13. 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. The long-term debt consists primarily of bonds and capital leases.

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.

14. Equity Classification

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

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

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as restricted, assigned and unassigned.

- a. Restricted fund balance – Includes fund balance amounts that are intended to be used for specific purposes which are externally imposed.
- b. Assigned fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on internal (Board) actions.

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- c. Unassigned fund balance – Includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

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

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

At December 31, 2021, the City had \$991,237 net position restricted for construction projects.

15. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

16. Revenues, Expenditures, and Expenses

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.

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year.

Unearned Revenue

Unearned revenue of \$529,698 at June 30, 2021 represents grant funds received but not expended as of year-end.

Expenditures

The Town primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the City.

17. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources,



CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has no deferred outflows of resources.

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

18. Dedication of Proceeds and Flow of Funds – Sales and Use Taxes

Proceeds of a perpetual one percent sales and use tax that was first levied on July 1, 1990 by the City of Westlake, Louisiana are collectible by the sales tax fund, are legally dedicated for municipal waterworks and street and road improvements.

Proceeds of a one percent sales and use tax, which was renewed on July 1 2017, and is to run for ten years, are levied by the City of Westlake, Louisiana and collectible by the sales tax fund, and are legally dedicated in no particular percentage to the following:

- a. Construction, acquiring, improving, operating and maintaining fire department.
- b. Construction, acquiring, improving, operating and maintaining wastewater department.
- c. Construction, acquiring, improving, operating and maintaining parks and recreation department.
- d. Salaries and benefits of City employees.

Proceeds of a one-half of one percent sales and use tax, which was renewed on October 1, 2017, and is to run for ten years are levied by the City of Westlake, Louisiana and collectible by the sales tax fund, are legally dedicated for the operation and maintenance of the City Police Department.

19. Subsequent Events

Management has evaluated subsequent events through May 31, 2022, the date the financial statements were available to be issued.

NOTE B - INVESTMENTS

The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures of investments in debt and equity securities that are classified as available-for-sale on a recurring basis. FASB ASC 820-10 defines fair value, establishes a consistent framework for measuring fair value, and expands disclosure requirements for fair value measurements. FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Town has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE B - INVESTMENTS - Continued

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2021 are as follows:

	Fair Value	Quoted Price in Active Markets Identical assets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Cost
Short-term investments:					
Money markets	\$ 244	\$ 244	\$ -	\$ -	\$ 244
U.S. Treasuries	1,000,019	1,000,019	-	-	1,000,019
LAMP	1,014,275	1,014,275	-	-	1,014,275
	<u>\$ 2,014,538</u>	<u>\$ 2,014,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,014,538</u>

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

LAMP is a governmental investment pool that reports at fair value. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 39 days as of June 30, 2021.
- Foreign currency risk: Not applicable.

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

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and board of directors. LAMP is not registered with the SEC as an investment company. An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE C – AD VALOREM TAXES

For the year ended June 30, 2021 taxes of 22.37 mills were levied on property with assessed valuations totaling \$46,175,557 and were dedicated as follows:

General corporate purposes 22.27 mills

Total taxes levied were \$1,032,948.

NOTE D - RECEIVABLES

The following is a summary of receivables for June 30, 2021:

	<u>Governmental Fund</u>	<u>Proprietary Funds</u>
Taxes	\$ 1,480,895	\$ -
Intergovernmental grants	6,791,403	-
Charges for services	60,863	555,398
Less: Allowance for bad debt	(-)	(88,547)
	<u>\$ 8,333,161</u>	<u>\$ 466,851</u>

NOTE E – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2021 follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities:				
Land	\$ 2,030,401	\$ -	\$ -	\$ 2,030,401
Buildings	6,897,743	-	-	6,897,743
Furniture and Equipment	2,430,036	73,168	-	2,503,204
Transportation Equipment	2,554,327	544,149	-	3,098,476
Infrastructure Construction In Progress	16,148,689	-	-	16,148,689
	<u>7,444,000</u>	<u>3,610,455</u>	<u>-</u>	<u>11,054,455</u>
Totals at historical cost	37,505,196	4,227,772	-	41,732,968
Less accumulated depreciation for:				
Buildings	2,494,712	187,667	-	2,682,379
Furniture and Equipment	2,020,184	124,321	-	2,144,505
Transportation Equipment	1,866,752	107,847	-	1,974,599
Infrastructure	5,823,120	403,716	-	6,226,836
Total accumulated depreciation	<u>12,204,768</u>	<u>823,551</u>	<u>-</u>	<u>13,028,319</u>
Governmental activities capital Assets, Net	<u>\$ 25,300,428</u>	<u>\$ 3,404,221</u>	<u>\$ -</u>	<u>\$ 28,704,649</u>

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE E – CAPITAL ASSETS - Continued

Business Type Activities:				
Land	\$ 11,978,558	\$ -	\$ -	\$ 11,978,558
Construction in progress	132,520	-	-	132,520
Infrastructure	32,255,706	-	-	32,255,706
Buildings and plant	1,994,414	-	-	1,994,414
Machinery and equipment	3,883,159	13,462	-	3,896,621
Transportation equipment	<u>561,747</u>	<u>-</u>	<u>-</u>	<u>561,747</u>
Totals at historical cost	50,806,104	13,462	-	50,819,566
Less accumulated depreciation for:				
Infrastructure	18,551,041	747,211	-	19,298,252
Buildings and plant	1,669,776	79,530	-	1,749,306
Machinery and equipment	3,600,764	55,260	-	3,656,024
Transportation equipment	<u>437,093</u>	<u>-</u>	<u>-</u>	<u>437,093</u>
Total accumulated depreciation	<u>24,258,674</u>	<u>882,001</u>	<u>-</u>	<u>25,140,675</u>
Business-type activities capital assets, net	<u>\$ 26,547,430</u>	<u>\$ (868,539)</u>	<u>\$ -</u>	<u>\$ 25,678,891</u>

Construction in progress in the governmental activities include the clubhouse at the golf course totaling \$4,969,725 and is expected to be completed in January 2022 at a total cost of \$5 million, a sewer transportation project totaling \$1,378,260 and is expected to be completed in 2022 at a total cost of \$1.4 million, and improvements on John Stine road totaling \$3,740,815 and expected to be completed in 2022 at a total cost of \$4.8 million. The John Stine Road improvement project is being funded by the Calcasieu Parish Police Jury. Other various drainage and street improvement projects totaling \$965,655 are estimated to cost an additional \$1,015,000 and be completed in 2022 and 2023.

Construction in progress in the business type activities includes a manhole rehabilitation project totaling \$132,520 and is expected to be completed in 2022 at a total cost of \$150,000.

Depreciation expense was charged to governmental activities as follows:

General and administrative	\$ 135,034
Highway and streets	433,571
Fire	140,861
Police	108,721
City Court	3,947
Post Office	<u>1,417</u>
Total	<u>\$ 823,551</u>

NOTE F – LEASES

Capital Leases:

The City has financing leases for equipment that qualify as capital leases. The assets and liabilities under capital leases are recorded at the lower of present value of the minimum lease payments or the fair value of the assets. The assets are amortized over the lower of their related lease terms or their estimated productive lives. Amortization of the assets under capital lease is included in depreciation expenses for the year ended June 30, 2021.

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE F – LEASES - Continued

The following is a summary of property held under capital lease at June 30, 2021:

Governmental activity:	
Fire truck	\$ 489,409
Less accumulated amortization	<u>24,472</u>
	<u>\$ 464,937</u>
Business-type activity:	
Golf course equipment	\$ 167,889
Less accumulated amortization	<u>80,185</u>
	<u>\$ 87,704</u>

NOTE G – LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

	Beginning of Year	Issued	Retired	End of Year	Amounts Due Within One Year
Governmental Activities:					
Net pension liability	\$ 7,396,543	\$ -	\$ 3,828,303	\$ 3,568,240	\$ -
Capital leases	-	489,409	-	489,409	76,919
Compensated absences	<u>320,251</u>	-	<u>39,011</u>	<u>281,240</u>	-
Governmental Activities					
Long-Term Liabilities	<u>\$ 7,716,794</u>	<u>\$ 489,409</u>	<u>\$ 3,867,314</u>	<u>\$ 4,338,889</u>	<u>\$ 76,919</u>
Business-Type Activities:					
General Obligation	<u>\$ 7,506,000</u>	\$ -	<u>\$ 987,000</u>	<u>\$ 6,519,000</u>	<u>\$ 1,019,000</u>
Total bonds	<u>7,506,000</u>	-	<u>987,000</u>	<u>6,519,000</u>	<u>1,019,000</u>
Other Obligations:					
Capital leases	<u>66,840</u>	-	<u>12,523</u>	<u>54,317</u>	<u>24,243</u>
Total other obligations	<u>66,840</u>	-	<u>12,523</u>	<u>54,317</u>	<u>24,243</u>
Business-Type Activities					
Long-Term Liabilities	<u>\$ 7,572,840</u>	<u>\$ -</u>	<u>\$ 999,523</u>	<u>\$ 6,573,317</u>	<u>\$ 1,043,234</u>

The capital lease obligations liability will be paid by the General and Utility Funds.

Long-term liabilities at June 30, 2021 are comprised of the following individual issues:

Business-type Activities:

\$7,500,000 Series 2016 revenue and refunding bond due in annual installments ranging from \$660,000 to \$850,000 through July 1, 2026; interest at 2.95%	\$ 4,755,000
\$2,030,000 Series 2010 B revenue bonds due in annual installments ranging from \$90,000 to \$126,000 through January 1, 2030; interest at 2.95%	1,034,000
\$1,995,000 2012 Series revenue refunding bond due in annual installments ranging from \$150,000 to \$190,000 through November 24, 2025; interest at 2.38%	<u>730,000</u>
	<u>\$ 6,519,000</u>

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE G – LONG-TERM LIABILITIES - Continued

The annual requirements to amortize all debt are as follows:

Year Ending June 30,	Business-type Activities	
	Principal	Interest
2022	\$ 1,043,243	\$ 179,200
2023	1,062,643	148,815
2024	1,074,000	119,443
2025	1,102,000	84,545
2026	940,000	55,003
2027-2031	1,351,431	48,912
	<u>\$ 6,573,317</u>	<u>\$ 635,919</u>

NOTE H - PENSION PLAN

Substantially all employees of the City of Westlake, LA. are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana or Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)

*Plan Description.* The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

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 municipality funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. 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. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 29.5% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by R. S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City contributions to the System under Plan A for the year ending June 30, 2021 were \$271,143.

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE H - PENSION PLAN – Continued

At June 30, 2021, the City reported a liability of \$1,288,652 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2021, the District's proportion was .463293%.

For the year ended June 30, 2021, the City recognized pension expense (benefit) of \$330,720 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$6,544. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 646	\$ 14,735
Difference between expected and actual investment	-	448,389
Difference between expected and actual assumption	47,093	363,077
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	-	19,633
Contributions subsequent to the measurement date	271,143	-
Total	\$ 318,700	\$ 845,834

\$271,143 reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Amount
2022	\$ (286,025)
2023	(285,932)
2024	(98,513)
2025	(127,811)
2026	-
Thereafter	-

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

The components on net pension liability of the System's employers as of June 30, 2021 are as follows:

Total Pension Liability	\$ 1,253,886,002
Plan Fiduciary Net Pension	975,735,673
Total Net Pension Liability	\$ 278,150,329

CITY OF WESTLAKE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2021

NOTE H - PENSION PLAN – Continued

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 are as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.85%
Expected Remaining Service Lives	3 years
Projected Salary Increases:	
1-4 years of services	6.4%
More than 4 years of services	4.5%
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee mortality	PubNS-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimated 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 rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.



CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE H - PENSION PLAN – Continued

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	53%	2.31%
Fixed Income	38%	1.65%
Alternative	9%	0.39%
Totals	100%	4.35%
Inflation		2.60%
Expected Nominal Return		6.95%

The discount rate used to measure the total pension liability was 6.85%. 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 and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems’ Actuarial Committee. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to changes in discount rate. The following presents the net pension liability of the District calculated using the discount rate of 6.95%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.95% or one percentage point higher 7.95% than the current rate.

	Changes in Discount Rate 2021		
	1% Decrease 5.85%	Current Discount Rate 6.85%	1% Increase 7.85%
Net Pension Liability (Asset)	\$ 1,908,559	\$ 1,288,652	\$ 765,054

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE H - PENSION PLAN – Continued

B. Municipal Police Employees Retirement System of Louisiana (System)

*Plan Description.* All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. 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. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 708092250, or by calling (225) 929-7411.

*Funding Policy.* Plan members are required by state statute to contribute 10% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 32.25% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City contributions to the System for the year ending June 30, 2021 were \$223,102.

At June 30, 2021, the City reported a liability of \$1,155,007 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2021, the District's proportion was .216677%.

For the year ended June 30, 2021, the City recognized pension expense (benefit) of \$(223,149) including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$12,112. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 35,571
Difference between expected and actual investment	-	539,297
Difference between expected and actual assumptions	127,911	32,947
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	30,985	232,273
Contributions subsequent to the measurement date	223,102	-
Total	\$ 381,998	\$ 840,088

CITY OF WESTLAKE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2021

NOTE H - PENSION PLAN – Continued

\$223,102 reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Amount
2022	\$ (150,057)
2023	(136,197)
2024	(151,001)
2025	(178,534)
2026	-
Thereafter	-

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

The components on net pension liability of the System's employers as of June 30, 2021 are as follows:

Total Pension Liability	\$ 3,350,028,394
Plan Fiduciary Net Pension	<u>2,816,973,727</u>
Total Net Pension Liability	<u>\$ 533,054,667</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 are as follows:

Valuation Date	June 30, 2021	
Actuarial Cost Method	Entry Age Normal	
Investment Rate of Return	6.750% (Net of investment expense)	
Expected Remaining Service Lives	4 years	
Inflation Rate	2.50%	
Salary increases, Including inflation and merit	Years of Service	Salary Growth Rate
	1-2	12.30%
	Above 2	4.70%

CITY OF WESTLAKE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2021

NOTE H - PENSION PLAN – Continued

Mortality	For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used. For disables lives, the Pub-2021 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used. For employees, the Pub-2019 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.
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2014 through June 30, 2019 and review of similar law enforcement mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	55.50%	3.47%
Fixed Income	30.50%	0.59%
Alternative	14.00%	1.01%
Other	0.00%	0.00%
Totals	100.00%	5.08%
Inflation		2.22%
Expected Nominal Return		7.30%

The discount rate used to measure the total pension liability was 6.750%. 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 and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE H - PENSION PLAN – Continued

Sensitivity to changes in discount rate. The following presents the net pension liability of the District calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate.

	Changes in Discount Rate 2021		
	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
	Net Pension Liability (Asset)	\$ 2,012,994	\$ 1,155,007

C. Firefighters' Retirement System of Louisiana

*Plan Description.* The Firefighters' Retirement System of Louisiana 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 more than \$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. Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11 :2251-11 :2272.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System of Louisiana, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809, or by calling (225) 925-4060.

*Funding Policy.* Plan members are required by state statute to contribute 10% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 26.5% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City contributions to the System for the year ending June 30, 2021 were \$256,698.

At June 30, 2021, the City reported a liability of \$1,124,581 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2021, the District's proportion was .317333%.

For the year ended June 30, 2021, the City recognized pension expense (benefit) of \$(310,815) including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$13,037. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE H - PENSION PLAN – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 16,049	\$ 100,990
Difference between expected and actual investment	-	682,462
Difference between expected and actual assumptions	243,689	-
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	150,949	302,861
Contributions subsequent to the measurement date	256,698	-
Total	\$ 667,385	\$ 1,086,313

\$256,698 reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Amount
2022	\$ (133,769)
2023	(91,536)
2024	(122,139)
2025	(184,552)
2026	11,328
Thereafter	1,488

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

The components on net pension liability of the System's employers as of June 30, 2021 are as follows:

Total Pension Liability	\$ 2,681,184,069
Plan Fiduciary Net Pension	2,326,798,869
Total Net Pension Liability	\$ 354,385,200

CITY OF WESTLAKE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2021

NOTE H - PENSION PLAN – Continued

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 are as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	6.90% Per annum
Expected Remaining Service Lives	7 years
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 (in 2019, salary increases ranged from 14.75% in the first two years of service to 4.50% with 25 or more years of service)
Inflation Rate	2.50% annum
Cost-of-living adjustment	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included.

The mortality rate assumption were updated in fiscal yar 2021 to reflect changes from the recent experience study and rates set in the Pub-2010 Public Retirement Plans mortality tables, as compared to the RP-2000 Combined Healthy and Disabled Lives tables that were used for the previous valuation. For the June 30, 2021 valuation, assumptions for mortality rates were based on the following:

- For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.
- For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Healthy Retirees.
- For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Tables for Safety Disabled Retirees.
- 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 estimated long-term expected rate of return on pension plan investments was determined by the System’s actuary using the System’s target asset allocation and the G.S. Curran & Company Consultant Average study for 2020. The consultants’ average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant’s response included nominal expected long term rates of return. In order to arrive at long term expected arithmetic real rates of return, the actuary normalized the data received from the consultants’ responses in the following ways. Where nominal returns received were arithmetic by adjusting for the long term standard deviation and then reducing the assumption by the long term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, and arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System’s long-term assumed rate of inflation of 2.5% was used in this process for the fiscal year ended June 30, 2021.

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE H - PENSION PLAN – Continued

The long-term expected real rate of return is an important input into the actuary's determination of the reasonable range for the discount rate which is used in determining the total pension liability. Prior year's financial reports presented the long-term expected real rate of return provided by the System's investment consultant, whereas this year's report presents this information for fiscal year 2021 from the System's actuary. The actuary's method incorporates information from multiple consultants and investments firms regarding future expected rates of return, variances, and correlation coefficients for each asset class. The actuary's method integrates data from multiple sources to produce average values thereby reducing reliance on a single data source.

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2021 are summarized in the following tables:

As of June 30, 2021

Asset Type		Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity	U.S. Equity	27.50%	5.86%
	Non-U.S. Equity	11.50%	6.44%
	Global Equity	10.00%	6.40%
	Emerging Market Equity	7.00%	8.64%
Fixed Income	U.S. Core Fixed Income	18.00%	0.97%
	U.S. TIPS	3.00%	0.40%
	Emerging Market Debt	5.00%	2.75%
Alternatives	Private Equity	6.00%	9.53%
	Real Estate	6.00%	5.31%
	Real Assets	3.00%	***
Multi-Asset Strategies	Global Tactical Asset Allocation	0.00%	4.17%
	Risk Parity	0.00%	4.17%
		<u>100.00%</u>	

The discount rate used to measure the total pension liability was 6.90%. 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 and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to changes in discount rate. The following presents the net pension liability of the District calculated using the discount rate of 6.90%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.90% or one percentage point higher 7.90% than the current rate.

	Changes in Discount Rate 2021		
	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Net Pension Liability (Asset)	\$ 2,157,426	\$ 1,124,581	\$ 263,051



CITY OF WESTLAKE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2021

NOTE I - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The municipality maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the municipality. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE J - CONTINGENCIES

The City participates in a number of federal and state grant programs that are either partially or fully funded by grants received from other governmental units. Such grants are subject to audit by the grantor agencies which could result in requests for reimbursement to the granting agency for expenditures that are disallowed under the terms of the grant. Based on past experience, the Town believes that any disallowed costs as a result of such audits will be immaterial.

The City is a defendant in several lawsuits that are in their discovery phases. The City plans on aggressively defending these lawsuits and legal counsel expects successful defense.

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

On August 27, 2020 Hurricane Laura made landfall in Southwest Louisiana as a Category 4 hurricane which was followed by Hurricane Delta on October 8, 2020. The full extent of damages to the City's facilities or effects on operations have not been determined.

NOTE K – INTERFUND RECEIVABLES AND PAYABLES

Individual amounts due from/to other funds at June 30, 2021, are as follows:

	Due From	Due To
General	\$ 4,923	\$ -
Capital Projects	-	-
Utility	-	4,923
Golf Course and Real Estate Development	-	-
	\$ 4,923	\$ 4,923

NOTE L – OPERATING TRANSFERS IN/OUT

Operating transfers as of June 30, 2021 were as follows:

	Transfers In	Transfers Out
General fund	\$ -	\$ 581,000
Capital projects	-	345,500
Utility	556,000	-
Golf course	370,500	-
	\$ 926,500	\$ 926,500

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE M – RESTRICTED ASSETS – PROPRIETARY FUND TYPE

Restricted assets were applicable to the following at June 30, 2021:

Customer deposits \$ 290,730

NOTE N – Rental Agreement

The City of Westlake, Louisiana and the United States Postal Service entered into an agreement to rent a postal facility for the period May 14, 2013 to May 14, 2018 for a total of five years. The annual rent for the facility is set at \$75,708, payable in monthly installments of \$6,309. The lease was renewed at the option of the U.S. Postal Service for one five year term at an annual rental of \$75,708.

NOTE O – COUNCIL MEMBERS COMPENSATION

The compensation paid to the Mayor and City Council Members for the year ended June 30, 2021, is as follows:

Robert Hardey, Mayor	\$ 78,936
Daniel Racca, Councilman (Current)	8,295
Michael Bergeron, Councilman (Current)	6,320
Kenny Brown, Councilman (Current)	6,420
Jeremy Cryer, Councilman (Current)	6,420
Skeeter Hayes, Councilman (Current)	6,420

NOTE P – AGING OF ACCOUNTS RECEIVABLE

Aging of Accounts Receivable – Utility proprietary fund as of June 30, 2021 are as follows:

0-30 Days	31-60 Days	61-90 Days	over 90 Days	Total
\$ 247,434	\$ 28,151	\$ 11,796	\$ 65,623	\$ 353,004

NOTE Q – SCHEDULE OF INSURANCE COVERAGE

The schedule of insurance coverage as of June 30, 2021 is as follows:

	Limits	Expiration Date
Automobile liability	\$1,000,000 bodily injury and physical damage	May 14, 2022
Commercial general liability: Premises/Operations	\$2,000,000 per occurrence-bodily injury and physical damage	May 14, 2022
Products/Completed operation	\$2,000,000 in the aggregate-bodily injury and physical damage	May 14, 2022
Medical payments	\$10,000 per person \$1,000,000 per accident	May 14, 2022
Commercial property	\$13,289,847	May 14, 2022

CITY OF WESTLAKE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2021

NOTE Q – SCHEDULE OF INSURANCE COVERAGE – Continued

Surety bond	\$50,000	May 14, 2022
Workers compensation	\$1,000,000/\$1,000,000/ \$1,000,000	February 20, 2022

NOTE R– SCHEDULE OF RATES AND NUMBER OF CUSTOMERS

At June 30, 2021 the number of customers were as follows:

Water	1,967
Sewer	1,893
Gas	3,195
Garbage	1,819

The schedule of rates for the proprietary fund is as follows:

<u>Sewer:</u>	
Residential:	\$33.35 per month
Senior Citizens:	\$17.54 per month
Commercial:	Users with metered water = <u>monthly water usage (gals)</u> 8,000
	Multiplied by \$37.12 to get dollar amount
<u>Water:</u>	
Residential:	\$30.85 first 2,000 gallons 3.77 per 1,000 gallons thereafter
Senior Citizens:	\$19.84 first 2,000 gallons 3.77 per 1,000 gallons thereafter
Commercial:	\$37.78 first 8,000 gallons 4.73 per 1,000 gallons thereafter
Industrial:	\$60.45 first 10,000 gallons 5.67 per 1,000 gallons thereafter 2.26 per 1,000 gallons after 150,000
<u>Garbage:</u>	
Residential:	\$20.50
Senior Citizens:	\$20.50
Commercial:	\$20.50
<u>Gas:</u>	
Residential and Commercial:	\$19.37 minimum Bill for 0-5 CCF (Hundred Cubic Feet)
Senior Citizens:	\$9.20 minimum Bill for 0-5 CCF (Hundred Cubic Feet)
Industrial:	\$27.63 minimum Bill for 0-5 CCF (Hundred Cubic Feet)

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF WESTLAKE, LOUISIANA  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 Year Ended June 30, 2021

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes and special assessments	\$ 3,045,560	\$ 3,342,108	\$ 3,443,667	\$ 101,559
Licenses and permits	267,600	434,458	454,304	19,846
Intergovernmental	961,776	1,060,000	1,208,188	148,188
Charges for services	13,000	3,500	11,727	8,227
Fines and forfeits	810,000	775,000	789,365	14,365
Investment income	5,000	430	862	432
Miscellaneous income	10,500	1,811,564	11,462	(1,800,102)
Insurance proceeds	-	-	1,935,523	1,935,523
Grant proceeds	-	291,210	7,341,014	7,049,804
Donations	500	13,610	14,470	860
Post office lease	75,708	75,708	75,708	-
<b>TOTAL REVENUES</b>	<u>5,189,644</u>	<u>7,807,588</u>	<u>15,286,290</u>	<u>7,478,702</u>
<b>EXPENDITURES</b>				
Current:				
General and administrative	860,285	2,704,275	882,085	1,822,190
Police	1,722,019	1,763,439	1,705,277	58,162
Fire	1,522,563	1,770,439	1,711,061	59,378
Streets	553,920	756,529	429,633	326,896
Cemeteries	19,500	21,469	23,479	(2,010)
Civil defense	9,529	10,549	10,101	448
Post office	53,708	58,208	16,203	42,005
City court	79,612	98,058	96,512	1,546
Hurricane recovery	-	-	9,194,550	(9,194,550)
Capital Outlay	-	-	348,198	(348,198)
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>4,821,136</u>	<u>7,182,966</u>	<u>14,417,099</u>	<u>(7,234,133)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	368,508	624,622	869,191	244,569
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	-	-	-
Operating transfers out	(171,424)	(430,000)	(581,000)	(151,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(171,424)</u>	<u>(430,000)</u>	<u>(581,000)</u>	<u>(151,000)</u>
<b>NET CHANGES IN FUND BALANCE</b>	197,084	194,622	288,191	93,569
<b>FUND BALANCE - BEGINNING</b>	<u>1,159,633</u>	<u>1,159,633</u>	<u>1,159,633</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,356,717</u>	<u>\$ 1,354,255</u>	<u>\$ 1,447,824</u>	<u>\$ 93,569</u>

CITY OF WESTLAKE, LOUISIANA  
 SCHEDULE OF EMPLOYERS' PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 Year Ended June 30, 2021

Municipal Employees Retirement System of Louisiana System:

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Employer's portion of the net pension liability (asset)	0.46329%	0.63104%	0.61961%	0.65087%	0.67813%	0.77285%	0.84396%
Employer's proportionate share of the net pension liability (asset)	\$1,288,652	\$ 2,728,231	\$ 2,565,614	\$ 2,722,868	\$ 2,779,475	\$2,760,741	\$2,165,977
Employer's covered payroll	\$ 919,130	\$ 1,160,110	\$ 1,130,688	\$ 1,001,205	\$ 1,018,834	\$1,211,383	\$1,319,071
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	140.20%	235.17%	226.91%	271.96%	272.81%	227.90%	164.20%
Plan fiduciary net position as a percentage of the total pension liability	77.82%	64.52%	63.94%	62.49%	62.11%	66.18%	73.99%

Municipal Police Employees' Retirement System:

Employer's portion of the net pension liability (asset)	0.21667%	0.24270%	0.25036%	0.23088%	0.22169%	0.33796%	0.28406%
Employer's proportionate share of the net pension liability (asset)	\$1,155,007	\$ 2,243,095	\$ 2,116,533	\$ 2,015,715	\$ 2,077,888	\$2,647,563	\$2,647,563
Employer's covered payroll	\$ 580,701	\$ 669,412	\$ 734,443	\$ 671,491	\$ 605,081	\$ 545,485	\$ 541,606
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	198.90%	335.08%	288.18%	300.18%	343.41%	485.36%	488.84%
Plan fiduciary net position as a percentage of the total pension liability	84.09%	70.94%	71.89%	70.08%	66.04%	70.73%	75.10%

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

The amounts presented have a measurement date of June 30, 2021.

Continued

CITY OF WESTLAKE, LOUISIANA  
 SCHEDULE OF EMPLOYERS' PROPORTIONATE SHARE OF NET PENSION LIABILITY-CONTINUED  
 Year Ended June 30, 2021

State of Louisiana Firefighters' Retirement System:

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Employer's portion of the net pension liability (asset)	0.31733%	0.34988%	0.31813%	0.29735%	0.30477%	0.37184%	0.38779%
Employer's proportionate share of the net pension liability (asset)	\$1,124,581	\$ 2,425,217	\$ 1,829,909	\$ 1,704,337	\$ 1,993,458	\$2,006,862	\$1,725,636
Employer's covered payroll	\$ 705,718	\$ 778,154	\$ 832,718	\$ 646,265	\$ 608,917	\$ 603,564	\$ 691,913
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	159.35%	311.66%	219.75%	263.72%	327.38%	332.50%	249.40%
Plan fiduciary net position as a percentage of the total pension liability	86.78%	72.61%	74.76%	73.55%	68.16%	72.45%	76.02%

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

\*The amounts presented have a measurement date of June 30, 2021.

CITY OF WESTLAKE, LOUISIANA  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 Year Ended June 30, 2021

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
<b>Municipal Employees Retirement System of Louisiana System:</b>					
2015	\$ 260,516	\$ 260,516	\$ -	\$1,319,071	19.7%
2016	\$ 239,248	\$ 239,248	\$ -	\$1,211,383	19.7%
2017	\$ 268,911	\$ 268,911	\$ -	\$1,018,834	26.4%
2018	\$ 279,981	\$ 279,981	\$ -	\$1,001,205	28.0%
2019	\$ 313,727	\$ 313,727	\$ -	\$1,130,688	27.7%
2020	\$ 334,697	\$ 334,697	\$ -	\$1,160,110	28.9%
2021	\$ 271,143	\$ 271,143	\$ -	\$1,288,652	21.0%
<b>Municipal Police Employees' Retirement System:</b>					
2015	\$ 208,413	\$ 208,413	\$ -	\$541,606	38.5%
2016	\$ 183,198	\$ 183,198	\$ -	\$545,485	33.6%
2017	\$ 218,841	\$ 218,841	\$ -	\$605,081	36.2%
2018	\$ 227,192	\$ 227,192	\$ -	\$671,491	33.8%
2019	\$ 236,858	\$ 236,858	\$ -	\$734,443	32.3%
2020	\$ 243,832	\$ 243,832	\$ -	\$669,412	36.4%
2021	\$ 223,102	\$ 223,102	\$ -	\$ 580,701	38.4%
<b>State of Louisiana Firefighters' Retirement System:</b>					
2015	\$ 231,142	\$ 231,142	\$ -	\$691,913	33.4%
2016	\$ 188,933	\$ 188,933	\$ -	\$603,564	31.3%
2017	\$ 172,481	\$ 172,481	\$ -	\$608,917	28.3%
2018	\$ 200,715	\$ 200,715	\$ -	\$646,265	31.1%
2019	\$ 220,670	\$ 220,670	\$ -	\$832,718	26.5%
2020	\$ 241,401	\$ 241,401	\$ -	\$778,154	31.0%
2021	\$ 256,698	\$ 256,698	\$ -	\$705,718	36.4%

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



## OTHER INFORMATION

CITY OF WESTLAKE, LOUISIANA  
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
 TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
 Year Ended June 30, 2021

Chief Executive Officer: Mayor Robert Hardey

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 78,936
Benefits - insurance	11,628
Benefits - retirement	21,495
Benefits - cell phone	600
Benefits - truck	-
Mileage	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Conference registration	30
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meal reimbursements	256
Dues	-
Fuel	-

CITY OF WESTLAKE, LOUISIANA  
 JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY  
 AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION  
 Year Ended June 30, 2021

	First Six Month Period Ended December 31, 2020	Second Six Month Period Ended June 31, 2021
<b>Cash Presentation</b>		
<b>Beginning Balance of Amounts Collected</b>	\$ -	\$ -
<b>Add: Collections</b>		
Traffic Fines and Fees	197,498	284,932
<b>Subtotal Collections</b>	197,498	284,932
<b>Less: Disbursements To Governments &amp; Nonprofits</b>		
Louisiana Comission on Law Enforcement	3,336	2,657
Southwest Louisiana Crime Lab	50,760	40,780
Supreme Court of Louisiana	5,941	4,633
DHH-THSCI	6,515	4,460
Crimestoppers	3,396	2,730
Calcasieu Parish Public Defenders Office	16,830	13,450
<b>Less: Amounts Retained by Collecting Agency</b>		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	110,720	216,222
<b>Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>		
Payments to 3rd Party Collection/Processing Agencies	-	-
<b>Subtotal Disbursements/Retainage</b>	197,498	284,932
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained</b>	\$ -	\$ -
<b>Ending Balance of "Partial Payments" Collected but not Disbursed</b>	-	-
<b>Other Information:</b>		
Ending Balance of Total Amounts Assessed but not yet Collected	-	-
Total Waivers During the Fiscal Period	-	-

CITY OF WESTLAKE, LOUISIANA  
 JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY  
 AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION  
 Year Ended June 30, 2021

	First Six Month Period Ended December 31, 2020	Second Six Month Period Ended June 31, 2021
<b>Cash Presentation</b>		
<b>Receipts From:</b>		
N/A	-	-
<b>Subtotal Receipts</b>	-	-
<b>Ending Balance of Amounts Assessed but Not Received</b>	-	-

CITY OF WESTLAKE, LOUISIANA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended June 30, 2021

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR NUMBER	DISBURSEMENTS/ EXPENDITURES
<b>United States Department of Housing and Urban Development</b>			
Passed through the Louisiana Division of Administration - Office of Community Development Community Development Block Grants	14.228	-	\$ 385,373
<b>United States Department of Homeland Security</b>			
Passed through the Louisiana Office of Homeland Security/Emergency Preparedness Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	-	<u>6,210,430</u> *
Total Federal Awards			<u>\$ 6,595,803</u>

Note A -- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Westlake, Louisiana under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Westlake, Louisiana, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Westlake, Louisiana.

NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.
- (2) The City of Westlake, Louisiana has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

\* Major program

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

May 31, 2022

To the Members of the City Council  
City of Westlake, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the City of Westlake, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City of Westlake, Louisiana's basic financial statements and have issued our report thereon dated May 31, 2022.

**Internal Control Over Financial Reporting**

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

To the Members of the City Council  
May 31, 2022  
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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Westlake, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs.

### **The City of Westlake, Louisiana's Responses to Findings**

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

### **Purpose of this Report**

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

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

May 31, 2022

To the Members of the City Council  
City of Westlake, Louisiana

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

We have audited the City of Westlake, Louisiana's (City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Managements Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

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



To the Members of the City Council  
City of Westlake, Louisiana  
May 31, 2022  
Page Two

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

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

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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.

To the Members of the City Council  
City of Westlake, Louisiana  
May 31, 2022  
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Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

CITY OF WESTLAKE, LOUISIANA  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2021

1. Summary of Auditors' Results:

*Financial Statements*

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_yes      X   no
- Control deficiencies identified that are not considered to be material weakness(es)? \_\_\_\_\_X yes    \_\_\_\_\_ none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

*Federal Awards*

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Control deficiency(s) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes      X   none reported

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of the Uniform Guidance? \_\_\_\_\_ yes      X   no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
97.036	Disaster Grants – Public Assistance

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes      X   no

2. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

**Finding 2021-001: Budgetary Authority and Control**

Condition: Inadequate budgeting procedures resulted in revenues being under budget by 5% or more in one major fund (General Fund).

Criteria: Inadequate budgeting procedures.

CITY OF WESTLAKE, LOUISIANA  
Schedule of Findings and Questioned Costs - Continued  
Year Ended June 30, 2021

Effect: Violation of Louisiana Revised Statute 39:1310.

Cause: Administrative lack of oversight.

Recommendation: The City of Westlake, Louisiana should review actual revenues and expenditures on an interim basis and amend the budget if necessary.

Corrective Action Planned/Management Response: The City of Westlake agrees with the finding and will implement the recommendations.

3. Federal Award Findings and Responses

**None**

4. Prior Year Audit Findings

**None**