CITY OF EUNICE, LOUISIANA

Financial Report

Year Ended June 30, 2021

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VIGE, TUJAGUE & NOEL
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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor Scott Fontenot
and Members of the Council
City of Eunice, Louisiana

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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, each major fund, and the aggregate remaining fund information of the City of Eunice, 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 and pension information listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Eunice, Louisiana's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head, and the judicial funding schedule, as listed in the table of contents, as required by the State of Louisiana, 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 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 combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, the schedule of compensation, benefits, and other payments to agency head, and the judicial funding schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, the schedule of compensation, benefits, and other payments to agency head, and the judicial funding schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 15, 2021, on our consideration of the City of Eunice, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Eunice, Louisiana's internal control over financial reporting and compliance.

Vige, Tujague & Noël

Vige, Tujague & Noël
Eunice, Louisiana
December 15, 2021

BASIC FINANCIAL STATEMENTS

CITY OF EUNICE, LOUISIANA
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	$ 7,100,975	$ 117,038	$ 7,218,013
Investments, at cost	500,000	-	500,000
Receivables (net of allowance for uncollectibles):			
Accounts	532,788	335,833	868,621
Taxes	625,854	-	625,854
Grants receivable	92,034	-	92,034
Due from other funds	-	70,867	70,867
Prepaid Items	159,996	32,745	192,741
Restricted assets:			
Cash and cash equivalents	-	340,804	340,804
Capital assets:			
Depreciable (net)	11,055,608	5,866,291	16,921,899
Non-depreciable	1,312,065	-	1,312,065
Total assets	21,379,320	6,763,578	28,142,898
Deferred Outflows of Resources			
Deferred outflows related to pensions	2,425,327	245,830	2,671,157
Liabilities:			
Accounts payable	1,208,885	64,589	1,273,474
Accrued liabilities	98,564	55,847	154,411
Due to other funds	70,867	-	70,867
Compensated absences payable	-	16,166	16,166
Payable from restricted assets -			
Customers' deposits	-	406,490	406,490
Non-current liabilities			
Due within one year:			
Capital lease payable	63,594	-	63,594
Due in more than one year:			
Compensated absences	122,485	5,680	128,165
Net pension liability	8,114,658	994,765	9,109,423
Capital lease payable	356,212	-	356,212
Total liabilities:	10,035,265	1,543,537	11,578,802
Deferred Inflows of Resources			
Deferred inflows related to pensions	1,039,112	107,802	1,146,914
Net Position:			
Investment in capital, net of related debt	11,947,867	5,866,291	17,814,158
Restricted for prepaid items	159,996	-	159,996
Unrestricted	622,407	(508,222)	114,185
Total net position	$ 12,730,270	$ 5,358,069	$ 18,088,339

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

CITY OF EUNICE, LOUISIANA
Statement of Activities
Year Ended June 30, 2021

Activities:	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Government activities:				
General government	$ 2,423,971	$ 589,676	$ -	$ -
Public safety:				
Police	2,982,577	18,389	78,905	-
Fire	1,864,809	-	-	729,989
Streets	1,704,752	-	-	-
Culture and recreation	694,369	2,245	-	-
Sanitation	51,889	-	-	-
Airport	132,050	-	31,991	-
Interest	20,993	-	-	-
Total government activities	9,875,410	610,310	110,896	729,989
Business type activities:				
Gas	1,375,041	1,230,943	-	-
Sewer	1,439,699	1,264,763	-	-
Total business-type activities	2,814,740	2,495,706	-	-
Total	$ 12,690,150	$ 3,106,016	$ 110,896	$ 729,989

General Revenues:

Taxes -

Property taxes, levied for general purpose

Sales and use taxes, levied for general purposes

Payment in lieu of taxes

Franchise and chain store taxes

Interest and investment earnings

Miscellaneous

Nonemployer pension contribution

Transfers

Total general revenues and transfers

Change in net assets

Net position - June 30, 2020

Prior period adjustment- GASB 84

Net position - June 30, 2020-restated

Net position - June 30, 2021

Net (Expense) Revenues and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
$ (1,834,295)	$ -	$ (1,834,295)
(2,885,283)	-	(2,885,283)
(1,134,820)	-	(1,134,820)
(1,704,752)	-	(1,704,752)
(692,124)	-	(692,124)
(51,889)	-	(51,889)
(100,059)	-	(100,059)
(20,993)	-	(20,993)
(8,424,215)	-	(8,424,215)
-	(144,098)	(144,098)
-	(174,936)	(174,936)
-	(319,034)	(319,034)
(8,424,215)	(319,034)	(8,743,249)
111,454	-	111,454
6,961,592	-	6,961,592
8,000	-	8,000
1,266,451	-	1,266,451
32,891	2,991	35,882
1,270,181	-	1,270,181
209,208	15,610	224,818
37,070	(37,070)	-
9,896,847	(18,469)	9,878,378
1,472,632	(337,503)	1,135,129
11,271,771	5,695,572	16,967,343
(14,133)	-	(14,133)
11,257,638	5,695,572	16,953,210
$ 12,730,270	$ 5,358,069	$ 18,088,339

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

FUND FINANCIAL STATEMENTS (FFS)

CITY OF EUNICE, LOUISIANA
Balance Sheet - Governmental Funds
June 30, 2021

ASSETS	General Fund	Sales Tax Fund	St. Landry & Acadia Parish Fire District	Other Governmental Funds	Total
Cash and cash equivalents	$ 482,343	$ 6,415,227	$ 85,262	$ 118,143	$ 7,100,975
Investments, at cost	-	500,000	-	-	500,000
Receivables					
(net of allowance for uncollectibles):					
Accounts	348,033	-	184,755	-	532,788
Taxes	8,738	-	-	-	8,738
Grants	-	92,034	-	-	92,034
Due from other funds	228,286	54,761	-	807	283,854
Prepaid items	159,996	-	-	-	159,996
Total assets	$ 1,227,396	$ 7,062,022	$ 270,017	$ 118,950	$ 8,678,385
LIABILITIES AND FUND BALANCES					
Liabilities:					
Account payable	$ 310,196	$ 898,689	$ -	$ -	$ 1,208,885
Accrued liabilities	98,564	-	-	-	98,564
Due to other funds	130,889	-	223,832	-	354,721
Total liabilities	539,649	898,689	223,832	-	1,662,170
Fund balances:					
Nonspendable for prepaid items	159,996	-	-	-	159,996
Assigned	-	6,163,333	46,185	118,950	6,328,468
Unassigned	527,751	-	-	-	527,751
Total fund balances	687,747	6,163,333	46,185	118,950	7,016,215
Total liabilities and fund balances	$ 1,227,396	$ 7,062,022	$ 270,017	$ 118,950	$ 8,678,385

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

CITY OF EUNICE, LOUISIANA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2021

Total fund balances for governmental funds at June 30, 2021		$ 7,016,215
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	$ 1,312,065	
Building and Recreation, net of $7,828,724 accumulated depreciation	5,286,820	
Infrastructure, net of $2,980,692 accumulated depreciation	4,087,403	
Equipment, net of $2,935,213 accumulated depreciation	230,005	
Vehicles, net of $1,871,605 accumulated depreciation	1,451,380	12,367,673
Revenues in the statements of activities that do not provide current financial resources are not reported as revenues in the funds		617,116
Elimination of interfund assets and liabilities:		
Due from other funds	(283,854)	
Due to other funds	283,854	-
Amounts related to pension recognition are not due and payable in the current period and, therefore, are not reported in the funds		(6,728,443)
Some liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Those liabilities consist of:		
Compensated absences	(122,485)	
Capital lease obligations	(419,806)	(542,291)
Total net position of governmental funds activities June 30, 2021		$ 12,730,270

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

CITY OF EUNICE, LOUISIANA
Statement of Revenues, Expenditures, and Change in
Fund Balances - Governmental Funds
Year Ended June 30, 2021

	General Fund	Sales Tax Fund	St. Landry & Acadia Parish Fire District	Other Governmental Funds	Total
Revenues					
Taxes	$ 1,377,905	$ 6,936,965	$ -	$ -	$ 8,314,870
Licenses and permits	589,676	-	-	-	589,676
Intergovernmental revenues	250,674	840,885	365,408	4,239	1,461,206
Fines, forfeitures and bonds	16,139	-	-	2,250	18,389
Liberty Cajun Music Show	2,245	-	-	-	2,245
Interest	4,277	27,838	226	550	32,891
Miscellaneous	657,860	-	-	-	657,860
Total revenues	2,898,776	7,805,688	365,634	7,039	11,077,137
Expenditures					
Current - general government					
Administrative	1,692,455	236,629	-	456	1,929,540
Public safety	4,488,902	101,245	136,870	369	4,727,386
Public works	972,798	676,378	-	-	1,649,176
Health and welfare	10,685	-	-	-	10,685
Culture and recreation	606,345	72,880	-	-	679,225
Other	53,255	-	-	-	53,255
Capital outlay	13,529	781,017	-	-	794,546
Debt service:					
Principal retirement	-	123,604	-	-	123,604
Interest and fiscal charges	-	20,993	-	-	20,993
Total expenditures	7,837,969	2,012,746	136,870	825	9,988,410
Excess (deficiency) of revenues over expenditures	(4,939,193)	5,792,942	228,764	6,214	1,088,727
Other financing sources (uses):					
Operating transfers in	5,558,735	-	-	-	5,558,735
Operating transfers out	(50,000)	(5,191,665)	(280,000)	-	(5,521,665)
Total other financing sources (uses)	5,508,735	(5,191,665)	(280,000)	-	37,070
Excess (deficiency) of revenues and other sources over expenditures and other uses	569,542	601,277	(51,236)	6,214	1,125,797
Fund balances, beginning	132,338	5,562,056	97,421	112,736	5,904,551
Prior period adjustment, Implementation of GASB 84	(14,133)	-	-	-	(14,133)
Fund balances, beginning-restate	118,205	5,562,056	97,421	112,736	5,890,418
Fund balances, ending	$ 687,747	$ 6,163,333	$ 46,185	$ 118,950	$ 7,016,215

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

CITY OF EUNICE, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2021

Total net changes in fund balance at June 30, 2021 per statement of revenues, expenditures and changes in fund balances		$ 1,125,797
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on the statement of revenues, expenditures and changes in fund balances	$ 794,546	
Depreciation expense for the year ended June 30, 2021	(835,814)	(41,268)
Payments on long term debt		123,604
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		24,627
Net effect of pension liability recognition		210,094
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:		
Compensated absences	29,778	29,778
Total net changes in net position at June 30, 2021 per statement of activities		$ 1,472,632

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

CITY OF EUNICE, LOUISIANA
Proprietary Fund
Statement of Net Position
June 30, 2021

	Business-Type Enterprise fund
Assets:	
Cash and cash equivalents	$ 117,038
Receivables (net of allowance of uncollectibles)	335,833
Due from other funds	70,867
Restricted cash, customer deposits	340,804
Prepaid items	32,745
Utility, plant and equipment, at cost	18,100,505
Accumulated depreciation	(12,234,214)
Total assets	6,763,578
Deferred Outflows of Resources:	
Deferred outflows related to pensions	245,830
Liabilities:	
Accounts payable	64,589
Accrued liabilities	77,693
Net pension liability	994,765
Payable from restricted assets -	
Customers' deposits	406,490
Total liabilities	1,543,537
Deferred Inflows of Resources:	
Deferred inflows related to pensions	107,802
Net Position:	
Investment in capital assets, net of related debt	5,866,291
Unrestricted	(508,222)
Total net position	$ 5,358,069

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

CITY OF EUNICE, LOUISIANA
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended June 30, 2021

	Business-Type Enterprise Fund
Operating revenues:	
Charges for services	$ 2,457,397
Other billings to customers	38,309
Total operating revenues	2,495,706
Operating expenses:	
Payroll and related benefits	647,666
Natural gas purchases	581,034
Supplies and materials	150,561
Repairs and maintenance	433,235
Office expenses	41,943
Professional fees	27,179
Insurance	181,715
Depreciation	376,175
Bad debts	9,802
Permits	26,632
Utilities and telephone	228,785
Lease expense	36,675
Miscellaneous	73,338
Total operating expenses	2,814,740
Operating income (expense)	(319,034)
Nonoperating revenue (expenses):	
Interest earned on investments	2,991
Nonemployer pension contribution	15,610
Total nonoperating revenue (expenses)	18,601
Income before operating transfers	(300,433)
Operating transfers:	
Operating transfers in	661,236
Operating transfers out	(698,306)
Total operating transfers	(37,070)
Change in net position	(337,503)
Net position, beginning	5,695,572
Net position, ending	$ 5,358,069

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

CITY OF EUNICE, LOUISIANA
Proprietary Fund
Statement of Cash Flows
Year Ended June 30, 2021

		Business-Type Activities-Enterprise Fund
Cash flows from operating activities:		
Receipts from customers	$	2,491,744
Payments to supplies		(1,793,283)
Payments to employees		(676,033)
Net cash provided (used) by operating activities		22,428
Cash flows from noncapital financing activities:		
Nonemployer pension contribution		15,610
Transfers from other funds		661,236
Transfers to other funds		(698,306)
Net cash provided (used) by noncapital financing activities		(21,460)
Cash flows from capital and related financing activities:		
Proceeds from meter deposits		17,440
Net cash provided (used) by capital and related financing activities		17,440
Cash flows from investing activities:		
Interest on investments		2,991
Net cash provided (used) by investing activities		2,991
Net increase (decrease) in cash and cash equivalents		21,399
Cash and cash equivalents, beginning of year		436,443
Cash and cash equivalents, end of year	$	457,842

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

CITY OF EUNICE, LOUISIANA
Proprietary Fund
Statement of Cash Flows
Year Ended June 30, 2021

		Business-Type Activities-Enterprise Fund
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	(319,034)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation		376,175
Changes in current assets and liabilities:		
(Increase) decrease in receivables (net)		(3,962)
(Increase) decrease in prepaid items		4,565
Increase (decrease) in accounts payable		(6,949)
Increase (decrease) in accrued liabilities		15,947
Increase (decrease) in net pension liability		(44,314)
Net cash used by operating activities	$	22,428
Reconciliation of cash and cash equivalents per the statement of cash flows to the statement of net position:		
Cash and cash equivalents, beginning of year -		
Cash - unrestricted	$	112,004
Cash - restricted		324,439
Total cash and cash equivalents		436,443
Cash and cash equivalents, end of year -		
Cash - unrestricted		117,038
Cash - restricted		340,804
Total cash and cash equivalents		457,842
Net increase	$	21,399

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

CITY OF EUNICE, LOUISIANA
Fiduciary Fund
Statement of Fiduciary Net Position
June 30, 2021

	Custodial Funds		
	Inmate Trust Account	Police Evidence Account	Total
Assets			
Cash	$ 25,310	$ 43,002	$68,312
Total assets	25,310	43,002	68,312
Liabilities			
Due to local governments	-	43,002	43,002
Inmate payable	1,268	-	1,268
Total liabilities	1,268	43,002	44,270
Net position			
Restricted for:			
Evidence return	-	-	24,042
Inmate deposits	24,042	-	-
Total net position	$ 24,042	$ -	$24,042

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

CITY OF EUNICE, LOUISIANA

Fiduciary Fund

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2021

	Custodial Funds		
	Inmate Trust Account	Police Evidence Account	Total
Additions			
Contributions			
Evidence	$ -	$ 4,930	$ 4,930
Inmate deposits	36,582	-	36,582
Total contributions	36,582	4,930	41,512
Investment earnings			
Interest	1	210	211
Total investment earnings	1	210	211
Total additions	36,583	5,140	41,723
Deductions			
Return of evidence	-	7,727	7,727
Inmate withdrawals	24,087	-	24,087
Total deductions	24,087	7,727	31,814
Net increase (decrease) in fiduciary net position	12,496	(2,587)	9,909
Net position, beginning	-	-	-
Prior period adjustment, Implementation of GASB 84	11,546	2,587	14,133
Net position, beginning as restated	11,546	2,587	14,133
Net position, ending	$ 24,042	$ -	$ 24,042

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Eunice was incorporated in 1909 under the Lawrason Act, and is administered under the Mayor and Board of Aldermen form of government. The accounting and reporting policies of the City of Eunice conform to United States generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants.

The following is a summary of the more significant accounting policies:

Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion in the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

Based on the foregoing criteria, the following governmental organizations are not considered part of the City because they are not material in relation to the financial statement taken as a whole and are thus excluded from the accompanying financial statements for the reasons noted:

> The Eunice City Court and City Marshall are operated under the directorship of the Eunice City Judge and Marshall who are elected public officials. Revenues are derived from court costs and the City cannot significantly influence operations nor does it have responsibility for fiscal management. A copy of the financial statements can be obtained from the City of Eunice, Louisiana.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Opelousas-Eunice Public Library was a joint venture between the cities of Opelousas and Eunice. The City of Eunice did not exercise significant influence over management or fiscal matters of the Library. A copy of the joint ventures separate financial statements can be obtained from the Opelousas-Eunice Public Library, P.O. Box 249, Opelousas, LA 70570. On July 9, 2019, the City of Eunice adopted an ordinance voiding the original ordinance which created the Opelousas-Eunice Public Library. The City then adopted an additional ordinance which established a new library system, the Eunice Public Library.

The municipality's officials are also responsible for appointing the members of the board of the Housing Authority of Eunice, Louisiana. This agency is considered to be a related organization since the municipality appoints the governing board but is not financially accountable for the organization. A copy of the financial statements can be obtained from the Eunice Housing Authority, P.O. Box 224, Eunice, LA 70535.

Basis of Presentation

Government - Wide Financial Statements (GWFS)

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

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

Fund Financial Statements

The accounts of the City of Eunice are organized on the basis of funds each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government resources are allocated to and accounted for in individual funds based upon the purpose for which spending activities are controlled. The various funds are grouped in the financial statements in this report, into seven generic fund types and three broad fund categories. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

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

b. Total assets, liabilities, revenues, or expenditures/expense of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined

The major funds of the City are described below:

Governmental Funds -

General Fund

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

Special Revenue Fund – Sales Tax Fund and St. Landry & Acadia Parish Fire District

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

Additionally, the City reports the following fund types:

Other Special Revenue Funds

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds

Custodial Funds

These funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. Custodial funds are used to report activities carried out exclusively for the benefit of those outside of the government. The City operates the following custodial funds.

Police Department Evidence – The fund accounts for the assets seized by the City of Eunice Police Department.
Inmate Trust Account- The fund accounts for the deposits and withdrawals of inmate funds for use in the commissary.

Proprietary Funds

Enterprise Fund

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

Measurement Focus/Basis of Accounting

Measurement focus is the 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:

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statements 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 accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Sales taxes are considered "measurable" when collected by the collection agency and are recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year in which they are billed. Fees and non tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, and grant funds. Available means collectible within the current period or soon enough thereafter to pay current liabilities, usually 60 days. Those revenues susceptible to accrual are property taxes, grant revenues and interest revenue.

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The proprietary fund is accounted for using the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when incurred.

Bad debts are written off when accounts become worthless.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses).

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds as required by law. All annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for all capital project funds; therefore, they are not included in this report.

Encumbrances are not recorded in the financial statements.

The budget presented is as amended by the Board of Aldermen. Expenditures may not legally exceed budgeted appropriations by more than 5% at the individual fund level.

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.

Allocation of Indirect Expenses

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

Cash and Investments

Cash includes amounts in demand deposits. Investments include certificates of deposit and time deposits. The bank balance of cash and investments is covered by federal depository insurance or by

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

collateral in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Short-Term Interfund Receivable/Payables

During the course of operations, numerous transactions occur between individual funds. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Prepaid Items

Payments made for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items.

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. All purchased fixed assets are valued at cost or estimated historical cost. The amounts of estimated costs are immaterial to these financial statements. Donated fixed assets are stated at their fair market value on the date donated. The City maintains a threshold level of $2,500 or more for capitalizing capital assets.

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 assets is as follows:

Buildings	40 years
Equipment	7 years
Vehicles	5 years
Utility system and improvements	25-50 years

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method. The estimated useful lives are as follows:

Gas system	67 years
Sewerage system	40-67 years
Meters & regulators	25 years
Vehicle & other equipment	4-10 years

Compensated Absences

Vested compensatory time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested compensatory time of the proprietary fund is recorded as an expense and liability of that fund as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Vacation time is allowed January 1st and lapse December 31st if not used.

Long-Term Debt

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

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of the net pension liability.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications

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

a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position - Consist of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund financial statements, governmental funds report aggregate amount for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining for classifications: restricted, committed, assigned, and unassigned.

a. Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

b. Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the city council – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the city council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

c. Assigned fund balance. This classification reflects the amounts constrained by the city's "intent"

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

to be used for specific purposes, but are neither restricted nor committed. The city council and the city manager have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

d. Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

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 the amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assignment actions.

Revenues, Expenditure, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

Expenditures / Expenses

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

Transactions that constitute reimbursements to a fund expenditure/expense initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

For purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Statement of Cash Flows

For purposes of the statement of cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

Subsequent Events

FASB issued SFAS No 165, Subsequent Events (ASC 855) establishes general standards for accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. We have evaluated events subsequent to the balance sheet through the date the financial statements were available to be issued.

Recently Issued and Adopted Accounting Pronouncements

The Government Accounting Standards Board (GASB) has issued the following Statements which will become effective in futures years as shown below:

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for fiscal year 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

The City has implemented GASB Statement 84, "Fiduciary Activities." This statement requires fiduciary activities to be reported in the basic financial statements because (a) their related assets are controlled by the government or (b) fiduciary component units have been identified through the component unit evaluation. This statement clarifies the definitions of the three existing fiduciary fund categories associated with trusts that meet specific criteria, and establishes a new custodial fund category for all other fiduciary activity not required to be reported within a trust fund. The City's previously reported Agency Fund, the Payroll Fund, has been eliminated and is now reported in the fund financial statements because 1) the assets associated with the activity are controlled by the City, 2) the assets associated with the activity are not derived from the City's own-source revenues, and 3) the assets are for the benefit of individuals and the City does not have administrative involvement with the assets or direct financial involvement with the assets. The City has reclassified two funds previously reported in the fund financial statements as custodial fund based on the new criteria. These fund reclassifications resulted in the restatement of the City's financial statements.

Pension Plans

The City is a participating employer in multiple pension plans as described in Note 8. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Funds, and additions to/deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the Plans.

NOTE 2 LEGAL COMPLIANCE - BUDGETS

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

The City Clerk prepares a proposed budget and submits same to the Mayor and Council no later than fifteen days prior to the beginning of each fiscal year.

A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

NOTE 2 LEGAL COMPLIANCE - BUDGETS (Continued)

After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Council.

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles of the United States of America. Budgeted amounts are as originally adopted or as amended from time to time by the Board of Aldermen. The budget was amended prior to the fiscal year end June 30, 2021.

NOTE 3 CASH AND INTEREST-BEARING DEPOSITS

The cash and cash equivalents of the City of Eunice, Louisiana are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits. 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 or exceed 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the City's name.

At June 30, 2021, the City had cash, book balances and interest-bearing deposits as follows:

Demand deposits/savings	$8,127,129

NOTE 3 CASH AND INTEREST-BEARING DEPOSITS (Continued)

Deposit balances (bank balance) at June 30, 2021, are secured as follows.

	Interest Bearing	Non-interest Bearing
Bank balances	$8,154,934	$ 25,310
Federal deposit insurance	250,000	250,000
Pledged securities (Category 3)	7,892,911	-
Total	8,142,911	250,000
Excess (Shortage)	$ (12,023)	$ 224,690

NOTE 4 RECEIVABLES

Receivables at June 30, 2021 in the fund financial statements consist of the following:

	Governmental	Enterprise	Total
Taxes	$ 8,738	$ -	$ 8,738
Accounts	553,556	446,252	999,808
Grants	92,034	-	92,034
Gross receivables	654,328	446,252	1,100,580
Less allowance for uncollectibles	20,768	110,419	131,187
Net total receivables	$ 633,560	$335,833	$ 969,393

Accounts receivables in the Enterprise Fund consist of billed and unbilled receivables relating to gas and sewerage services. Gas accounts receivable are divided into two billing cycles. Cycle 1 is billed for meters read from the 1st through the 15th and Cycle 2 is billed for meters read the 16th through 24th. Billed receivables at June 30, 2021 were $289,814 and unbilled receivables were $156,438.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in September or October and are actually billed to the taxpayer in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

NOTE 4 RECEIVABLES (Continued)

The City bills and collects its own property taxes using the assessed values determined by the tax assessors of St. Landry Parish and Acadia Parish.

For the year ended June 30, 2021 taxes of 11.25 mills were levied on property with an assessed valuation totaling $65,509,500 and were dedicated as follows:

	Millage	Duration
General corporate tax	6.47 mills	Permanent
Street maintenance	4.78 mills	2012-2021
	11.77	

Total taxes levied were $736,984. Taxes receivable, net of allowance for uncollectibles, at June 30, 2021 were $8,738.

NOTE 5 FLOWS OF FUNDS - RESTRICTIONS ON USE - SALES TAX REVENUES

The City of Eunice levies a 2.45% sales and use tax dedicated as follows:

Proceeds of the 1% sales and use tax levied in 1978 are dedicated as follows:

Under the terms of the sales tax ordinance, all monies collected are deposited into a separate account.

Monies remaining in the sales tax fund after payment of collection expenses may be used for providing additional general fund revenues and for the construction, operations and maintenance of capital improvements.

This is a 25 year sales and use tax that was renewed for an additional 25 years and will expire on December 31, 2028.

Proceeds of the 1% sales and use tax levied in 1962 are dedicated as follows:

Opening, constructing, paving, resurfacing and improving streets, sidewalks and bridges; constructing and purchasing street lighting facilities; constructing and improving drains, drainage canals and subsurface drainage; constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; constructing and purchasing garbage disposal and health and sanitation equipment; constructing public buildings; purchasing, constructing and improving public parks and recreational facilities and acquiring the necessary equipment and furnishings therefore; purchasing equipment for civil defense; constructing, acquiring or improving any

NOTE 5 FLOWS OF FUNDS - RESTRICTIONS ON USE - SALES TAX REVENUES (Continued)

work of permanent public improvement; and purchasing and acquiring all equipment and furnishing for public works, buildings, improvements and facilities.

Providing funds, not to exceed ten percent (10%) of the proceeds of said tax for such year, to defray costs of operating and maintaining a public library.

Providing funds, not to exceed ten percent (10%) of the proceeds of said tax for such year, for the payment of salaries of municipal employees.

In addition to the purposes previously approved, not more than 10% of such proceeds may be used in each fiscal year for general municipal purposes in the event that unbudgeted emergency expenses are incurred by the City in that year.

The 1962 sales and use tax is a permanent sales tax.

Proceeds of the .2% sales and use tax levied in 1988 are dedicated as follows:

Monies remaining in the sales tax fund may be used for constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal facilities.

The 1988 sales and use tax is a permanent sales tax.

Proceeds of the .25% sales and use tax levied in 2019 are dedicated as follows:

Providing funds for public safety salaries and related compensation.

The 2019 sales and use tax is a permanent sales tax.

NOTE 6 LONG-TERM DEBT

The following is a summary of debt transactions of the City of Eunice for the year ended June 30, 2021:

	06/30/2020	Additions	Retirements	06/30/2021
Compensated absences payable	$ 158,076	$ -	$ 29,911	$ 128,165
Capital lease payable	543,410	-	123,604	419,806
Net pension liability	10,091,420	-	981,997	9,109,423
	$ 10,792,906	$ -	$ 1,135,512	$ 9,657,394

The City entered into a capital lease with U.S. Bancorp Government Leasing and Financing, Inc., on April 16, 2018, in the amount of $676,510, at 3.81% interest, for the purchase of two fire trucks.

NOTE 6 LONG-TERM DEBT (Continued)

Future lease payments as of June 30, 2021 are as follows:

Date	Principal	Interest	Total
2022	$ 63,594	$ 15,994	$ 79,588
2023	66,017	13,571	79,588
2024	68,531	11,057	79,588
2025	71,143	8,445	79,588
2026	72,549	7,039	79,588
2027	77,972	1,616	79,588
	$ 419,806	$ 57,722	$ 477,528

The City entered into a capital lease with AmeriCredit Financial Services, Inc., d/b/a GM Financial, on September 10, 2018, in the amount of $182,062, at 4.00% interest, for the purchase of five police vehicles. This lease was paid in full as of June 30, 2021.

NOTE 7 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance 06/30/2020	Additions	Deletions	Balance 06/30/2021
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 1,312,065	$ -	$ -	$ 1,312,065
Other capital assets:				
Buildings & recreation	13,115,544	-	-	13,115,544
Infrastructure	7,068,095	-	-	7,068,095
Equipment	3,100,661	64,557	-	3,165,218
Vehicles	2,852,840	729,989	259,844	3,322,985
Total capital assets	27,449,205	794,546	259,844	27,983,907
Less accumulated depreciation				
Buildings & recreation	7,558,569	270,155		7,828,724
Infrastructure	2,671,281	309,411	-	2,980,692
Equipment	2,816,794	118,419	-	2,935,213
Vehicles	1,993,620	137,829	259,844	1,871,605
Total accumulated depreciation	15,040,264	835,814	259,844	15,616,234
Governmental activities, capital assets, net	$ 12,408,941	$ (41,268)	$ -	$ 12,367,673

NOTE 7 CAPITAL ASSETS (Continued)

Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	$ -	$ -	$ -	$ -
Other capital assets:				
Gas system	6,047,198	-	-	6,047,198
Sewer system	11,529,260	-	-	11,529,260
Vehicles	52,870	-	-	52,870
Equipment	471,177	-	-	471,177
Total capital assets	18,100,505	-	-	18,100,505
Less accumulated depreciation				
Gas system	3,501,057	92,811	-	3,593,868
Sewer system	7,860,011	282,987	-	8,142,998
Vehicles	106,343	-	-	106,343
Equipment	390,628	377	-	391,005
Total accumulated depreciation	11,858,039	376,175	-	12,234,214
Business type activities, capital assets, net	$ 6,242,466	$ (376,175)	$ -	$ 5,866,291

NOTE 8 PENSION AND RETIREMENT PLANS

STATE RETIREMENT SYSTEMS

Municipal Employees' Retirement System

Substantially all city employees, except firemen, policemen and the judge are members of the Municipal Employees' Retirement System of Louisiana (MERS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The MERS is composed of two distinct plans. Plan A and Plan B, with separate assets and benefit provisions. All members participate in Plan A.

Eligibility Requirements

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

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

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Retirement Benefits

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

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

1. Any age with twenty-five (25) or more years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit.

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

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

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

Survivor Benefits

Upon death of any member of Plan A with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

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

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Any member of Plan A or Plan B who had not withdrawn their accumulated contributions and had at least twenty years of service credit at time of death, surviving spouse shall receive benefits for as long as he/she lives as outlined in the statutes.

Drop Benefits

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

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

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of forty-five percent of his final average compensation or three percent of his final average compensation multiplied by his years of creditable service, whichever is greater, or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement.

Cost of Living Increases

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant additional cost of living increases to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Deferred Benefits

The Plans provide for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

Funding Policy - State statute requires covered employees to contribute 9.50 percent of their salaries to the System. As provided by Louisiana Revised Statute 11:756 – 11:1785, 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 current actuarially determined rate is 29.50 percent of annual covered payroll. The City's contributions to the System under Plan A for the years ending June 30, 2021 and 2020 were $474,568 and $446,635, respectively, equal to the required contributions for each year.

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

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

At June 30, 2021, the City reported a liability of $3,649,173 for its proportionate share of the net pension liability for the MERS plan. The net pension liability was measured as of June 30, 2020 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 the MERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the City's proportion was 0.844050%, which was a decrease of 0.783483% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the City recognized net pension expense of $423,027 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $4,331.

Non-employer contributions

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue. The City recognized $57,261 of non-employer contribution revenue.

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,692	$ (20,685)
Changes in assumptions	61,391	-
Net difference between projected and actual earnings on pension plan investments	364,150	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(374,776)
Employer contributions subsequent to measurement date	474,568	-
Total	$ 901,801	$ (395,461)

The City reported a total of $474,568 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2021, which will be recognized as a reduction in net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ended June 30:	MERS
2022	$ (70,151)
2023	42,289
2024	84,185
2025	54,821
Total	$ 111,144

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Actuarial Methods and Assumptions

The components of the net pension liability of the City as of June 30, 2021 are as follows:

	2020 PLAN A	2021 PLAN A
Total Pension Liability	$ 10,700,948	$ 10,285,736
Plan Fiduciary Net Position	(6,920,860)	(6,636,563)
Total Net Pension Liability	$ 3,780,088	$ 3,649,173
Plan Fiduciary Net Position as a % of the Total Pension Liability	64.68%	64.52%

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follow:

Valuation date	June 30, 2020
Actuarial cost method	Entry Age Normal
Actual Assumptions:	
Investment rate of return	6.95%, net of investment expense
Inflation rate	2.50%
Salary increases, inlcuding inflation and merit increases:	
-1 to 4 years of service	6.4% - Plan A
-More than 4 years of service	4.5% - Plan A
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using hteir respecive male and female MP2018 scales.
Emplooyee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

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-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 6.95% for the year ended June 30, 2020.

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, 2020 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	53%	2.33%
Public fixed income	38%	1.67%
Alternatives	9%	0.40%
Totals	100%	4.40%
Inflation		2.60%
Expected Arithmetic Nominal Return		7.00%

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2020 is 5 years for Plan A.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers 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, or one percentage point higher than the current rate as of June 30, 2021:

	Changes in Discount Rate Plan A		
	1% Decrease 5.95%	Current Discount Rate 6.95%	1% Increase 7.95%
Net Pension Liability	$ 4,747,175	$ 3,649,173	$ 2,720,767

Changes in Pension Liability

The changes in the net pension liability for the year ended June 30, 2020 were recognized in the current reporting period except as follows:

Differences between Expected and Actual Experience:

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension benefit using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources as of June 30, 2020 in the amount of $20,685.

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Differences between Projected and Actual Investment Earnings:

The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources as of June 30, 2020 in the amount of $364,150.

Changes in Proportion:

Changes in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

Contributions – Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

Municipal Police Employees' Retirement System

Plan Description

The Municipal Police Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through 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 189 of 1973 and amended by LRS 11:221111:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Membership Prior to January 1, 2013

A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

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

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or $200.00 per month, whichever is greater.

Membership Commencing January 1, 2013

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

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

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statues, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or $200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Cost of Living Adjustments

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

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

Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age. A COLA may only by granted if funds are available in excess of normal requirements, as determined by the actuary.

Deferred Retirement Option Plan

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

If the member elects a money market investment return, the funds are transferred to a government money market account.

Initial Benefit Option Plan

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

Employer Contributions

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

For the year ended June 30, 2020, total contributions due from employers and employees were as follows:

	Contribution Rates		
	Employee	Employer	Total
Members hired prior to 1/1/2013	10.00%	32.50%	42.50%
Hazardous Duty Members hired after 1/1/2013	10.00%	32.50%	42.50%
Non Hazardous Duty Members hired after 1/1/2013	8.00%	32.50%	40.50%
Members whose earnable compensation is less than the poverty guidelines	7.50%	34.25%	41.75%

The City's contributions to the System for the years ending June 30, 2021 and 2020 were $385,240 and $328,240, equal to the required contributions for the year.

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, 8401 United Plaza Blvd., Baton Rouge, Louisiana 70809-7017, or by calling (225)929-7411.

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

At June 30, 2021, the City reported a liability of $2,979,690 for its proportionate share of the net pension liability for the MPERS plan. The net pension liability was measured as of June 30, 2020 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 the MPERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the City's proportion was 0.322396%, which was a decrease of 0.029731% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of $336,708.

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Non-employer contributions

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue. The City recognized $70,273 of non-employer contribution revenue.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (117,368)
Changes in assumptions	70,804	(73,534)
Net difference between projected and actual earnings on pension plan investments	357,473	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,086	(348,679)
Employer contributions subsequent to measurement date	385,580	-
Total	$ 836,943	$ (539,581)

The City reported a total of $385,580 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2020 which will be recognized as a reduction in net pension liability in the year ended June 30, 2022.

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Other amortizable amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ended June 30:	MPERS
2022	$ (105,961)
2023	(53,804)
2024	4,629
2025	66,923
Total	$ (88,213)

Actuarial Methods and Assumptions

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

The components of the net pension liability of the City as of June 30, 2021 are as follows:

	Measurement Date	
	2019	2020
Total Pension Liability	$ 11,030,200	$ 10,255,333
Plan Fiduciary Net Position	(7,832,297)	(7,275,643)
Total Collective Net Pension Liability	$ 3,197,903	$ 2,979,690

The actuarial assumptions used in the June 30, 2020 valuation were based on the assumptions used in the June 30, 2020 actuarial funding valuation, and were based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

	MPERS	
Valuation date	June 30, 2020	
Actuarial cost method	Entry Age Normal Cost	
Expected remaining service lives	2020 - 4 years 2019 - 4 years 2018 - 4 years 2017 - 4 years	
Investment rate of return	7.125%, net of investment expense	
Inflation rate	2.50%	
Salary increases,	Years of Service	Salary Growth Rate
including inflation and merit	1-2	12.3%
	Above 2	4.7%

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, 2020 are summarized in the following table:

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

	June 30, 2020	
Asset Class	Target Allocation	Long Term Expected Portfolio Real Rate of Return
Equity	48.50%	3.08%
Fixed Income	33.50%	0.54%
Alternative	18.00%	1.02%
Other	0.00%	0.00%
Totals	100.00%	4.64%
Inflation		2.55%
Expected Nominal Return		7.19%

The discount rate used to measure the total pension liability was 7.125%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.950%, 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 5.950% or one percentage point higher 7.950% than the current rate as of June 30, 2020.

	Changes in Discount Rate		
	1% Decrease 5.950%	Current Discount Rate 6.950%	1% Increase 7.950%
Net Pension Liability	$ 4,186,147	$ 2,979,690	$ 1,971,142

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Change in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2020 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings:

The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

Changes of Assumptions or Other Inputs:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

Contributions – Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Firefighters' Retirement System

Plan Description

The System is the administrator of a cost-sharing, multiple-employer, defined benefit pension plan. The System provides retirement, disability, and death 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 Louisiana Revised Statutes (R.S.) 11:2251 – 11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Eligibility Requirements

Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Membership in the System is a condition of employment

for any full-time firefighters (or any person in a position as defined in the municipal fire and police civil service system) who earn at least $375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System.

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

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

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Retirement Benefits

Employees with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any ae are entitled to annual pension benefits equal to 3.333% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions.

Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement.

See R.S. 11:2256(A) for additional details on retirement benefits.

Disability Benefits

A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2258(B).

Death Benefits

Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11:2256(B) & (C).

Deferred Retirement Option Plan

After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit.

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

Initial Benefit Option Plan

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

Cost of Living Adjustments (COLAs)

Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase in the form of "X x (A+B)," where "X" is any amount up to $1 per month, and "A" is equal to the number of years of credited service accrued at retirement or at death of the member of retiree, and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase.

Funding Policy - State statute requires covered employees to contribute 10.00 percent of their salaries to the system. The City is required to contribute 32.25 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contribution to the System for the years ending June 30, 2021 and 2020 were $300,812 and $235,844, respectively, equal to the required contributions for the year.

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, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809-1752, or by calling (225) 925-4060.

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

At June 30, 2020, the City reported a liability of $2,406,786 for its proportionate share of the net pension liability for the FRS plan. The net pension liability was measured as of June 30, 2020 and the total pension

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

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 the FRS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the City's proportion was 0.347222%, which was an increase of 0.006048% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of $381,135.

Non-employer contributions

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue. The City recognized $97,284 of non-employer contribution revenue.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (153,986)
Changes in assumptions	232,660	-
Net difference between projected and actual earnings on pension plan investments	265,050	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	115,366	(57,177)
Employer contributions subsequent to measurement date	300,812	-
Total	$ 913,888	$ (211,163)

The City reported a total of $300,812 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2020, which will be recognized as a reduction in net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Year Ended June 30:	FRS
2021	$ 60,617
2022	120,985
2023	121,030
2024	68,250
2025	6,954
2026	10,934
Total	$ 388,770

Actuarial Methods and Assumptions

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

The components of the net pension liability of the City as of June 30, 2020 are as follows:

	2019	2020
Total Pension Liability	$8,205,652	$8,787,649
Plan Fiduciary Net Position	(6,069,251)	(6,380,863)
Total Collective Net Pension Liability	$2,136,401	$2,406,786

The actuarial assumptions used in the June 30, 2020 valuation were based on the assumptions used in the June 30, 2020 actuarial funding valuation, and were based on results of an actuarial experience study for the period July 1, 2009 - June 30, 2014. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Valuation date	June 30, 2020
Actuarial cost method	Entry Age Normal Cost
Expected remaining service lives	7 years, closed period
Investment rate of return	7.0% per annum
Inflation rate	2.50% per annum
Salary increases	Vary from 14.10% in the first two years of service to 5.2% after 25 years
Cost of living adjustments	For the pupose 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 used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then 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. The RP-2000 Combined Healthy with Blue Collar Adjustment Sex District Tables projected to 2031 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP-2000 Disabled Lives Mortality Table set back five years for males and set back three years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2020 are summarized in the following table:

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

	Asset Type	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity	U.S. Equity	26.00%	5.72%
	Non-U.S. Equity	12.00%	6.24%
	Global Equity	10.00%	6.23%
	Emerging Markets	6.00%	8.61%
Fixed Income	Fixed Income	26.00%	1.00%
	Emerging Markets	5.00%	3.40%
Alternatives	Real Estate	6.00%	4.22%
	Private Equity	9.00%	4.22%
Multi-Asset Strategies	Global Tactical Asset Allocation	0.00%	4.20%
	Risk Parity	0.00%	10.29%
		100.00%	

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive 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 the Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, 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 6.00% or one percentage point higher 8.00% than the current rate as of June 30, 2020.

	Changes in Discount Rate		
	1% Decrease 6.15%	Current Discount 7.15%	1% Increase 8.15%
Net Pension Liability	$3,476,579	$2,406,786	$1,513,825

Change in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2020 were recognized in the current reporting period as pension expense except as follows:

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Differences between Expected and Actual Experience:

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings:

The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

Changes of Assumptions:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

Contributions – Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Retirement System Audit Report

Firefighters' Retirement System issued a stand-alone audit report on its financial statements for the year ended June 30, 2020. Access to the audit report can be found on the System's website: www.lafirefightersret.com or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Louisiana State Employees' Retirement System

Plan Description

The System was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of La. R.S. 11:401, as amended, for eligible state officers, employees and their beneficiaries. The projection 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 the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits

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

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

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

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

Deferred Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

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

Disability Benefits

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

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

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Survivor's Benefits

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

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the members final average compensation.

Permanent Benefit Increases/Cost-of-Living Adjustments

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

Funding Policy - State statute requires covered employees to contribute 13.00 percent of their salaries to the system. The City is required to contribute 42 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contribution to the plan for the years ending June 30, 2021 and 2020 were $7,505 and $7,229, respectively, equal to the required contributions for the year.

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 Louisiana State Employees' Retirement System, 3401 United Plaza Blvd., Baton Rouge, Louisiana 70809, or by calling (225) 922-0600.

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

At June 30, 2020 the City reported a liability of $73,774 for its proportionate share of the net pension liability for the LASERS plan. The net pension liability was measured as of June 30, 2020 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 the LASERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the City's proportion was 0.00089%, which was unchanged from June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of $9,097.

Non-employer contributions

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue. The City recognized $0 of non-employer contribution revenue.

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.55%, 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, or one percentage point higher than the current rate.

	Changes in Discount Rate		
	1% Decrease 6.55%	Current Discount Rate 7.55%	1% Increase 8.55%
Employer Net Pension Liability	$ 90,657	$ 73,774	$ 59,447

Change in Net Pension Liability

The changes in net pension liability for the year ended June 30, 2020 were recognized as pension expense or benefit in the current reporting period except as follows:

Differences between Expected and Actual Experience

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Difference between Projected and Actual Investment Earnings

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (709)
Changes in assumptions	236	-
Net difference between projected and actual earnings on pension plan investments	10,784	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to measurement date	7,505	-
Total	$ 18,525	$ (709)

The City reported a total of $7,229 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2019, which will be recognized as a reduction in net pension liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ended June 30:	LASERS
2022	$ 1,374
2023	3,110
2024	3,333
2025	2,496
Total	$ 10,313

Actuarial Methods and Assumptions

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

The components of the net pension liability of the System's employers as of June 30, 2020 are as follows:

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

	2019	2020
Total Pension Liability	$ 173,796	$ 175,253
Plan Fiduciary Net Position	(109,099)	(101,479)
Employers' Net Pension Liability	$ 64,697	$ 73,774
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	62.90%	58.00%

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 is as follows:

Valuation date	June 30, 2020
Actuarial cost method	Entry Age Normal
Expected remaining service lives	2 years
Investment rate of return	7.55% per annum
Inflation rate	2.3% per annum
Mortality	Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected using the MP-2018 mortality scale, applied on a fully generational basis. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Salary increases

Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.2%	13.0%
Judges	2.8%	5.3%
Corrections	3.8%	14.0%
Hazardous Duty	3.8%	14.0%
Wildlife	3.8%	14.0%

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 projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 9.0% for 2019. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the following table:

Expected Long Term Real Rates of Return

Asset Class	2020
Cash	59.00%
Domestic Equity	4.79%
International Equity	5.83%
Domestic Fixed Income	1.76%
International Fixed Income	3.98%
Alternative Investments	6.69%
Global Tactical Asset Allocation	4.20%
Total Fund	5.81%

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.55%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Change in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2020 were recognized as pension expense or benefit in the current reporting period except as follows:

Differences between Expected and Actual Experience

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

Contributions - Proportionate Share/Change in Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

Changes in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date are recognized in employer's pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided

NOTE 8 PENSION AND RETIREMENT PLANS (Continued)

Estimates

The process of preparing the schedules of employer allocations and schedules of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual results may differ from estimated amounts.

Retirement System Audit Reports

The Louisiana State Employees' Retirement System has issued stand-alone audit reports on their financial statements for the years ended June 30, 2020 and 2019. Access to the reports can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov and the System's website, http://www.lasersonline.org/site.php.

Pension Summary

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' Retirement System	$ (3,649,173)	$ 901,801	$ (395,461)
Municipal Police Employees' Retirement System	(2,979,690)	836,943	(539,581)
Firefighters' Retirement System	(2,406,786)	913,888	(211,163)
Louisiana State Employees' Retirement System	(73,774)	18,525	(709)
Total	(9,109,423)	2,671,157	(1,146,914)
Portion Applicable to Business Type Activities	945,696	245,830	107,802
Portion Applicable to Governmental Type Activities	$ (8,163,727)	$ 2,425,327	$ (1,039,112)

NOTE 9 RESTRICTED ASSETS

Proprietary Fund Type:
Restricted assets applicable to customers' deposits at June 30, 2021 are as follows:

Customers' deposits:	
Cash	$ 340,804
	$ 340,804

NOTE 10 DUE FROM/TO OTHER FUNDS

	Due From Other Funds	Due to Other Funds
General Fund	$ 228,286	$ 130,889
Special Revenue Funds -		
Sales Tax Fund	54,761	-
St. Landry & Acadia Parish Fire District	-	223,832
Court Witness Fees Fund	807	-
Enterprise Fund -		
Utility Fund	70,867	-
	$ 354,721	$ 354,721

NOTE 11 ENTERPRISE FUND OPERATIONS

Operations of the City of Eunice Utility System consist of a gas distribution system and sewer utility system. Operating results of the individual utilities for the year ended June 30, 2021 are as follows:

	Gas Department	Sewer Department
Operating Revenues	$ 1,230,943	$ 1,264,763
Operating Expenses	1,375,041	1,439,699
Operating Income (loss)	$ (144,098)	$ (174,936)

Operating expenses above include costs which cannot be directly associated with a single department; thus these expenses have been allocated on the basis of gross utility sales. For the fiscal year ended June 30, 2021, the Gas and Sewer Utilities provided services to 3,810 and 5,736 customers, respectively.

NOTE 12 LEASE

The St. Landry Parish Solid Waste Disposal District entered into a lease with the City of Eunice for various equipment. The original cost of the equipment totaled $303,025. The lease terms are for a five year period at a cost of $100 per year beginning November 1, 2010.

The City of Eunice entered into a 5 year lease agreement with Enterprise FM Trust on October 25, 2019 for the use of vehicles. Future lease payments are as follows:

2022	$ 102,228
2023	102,228
2024	102,228
2025	68,172

The City of Eunice entered into a 60 month lease agreement with Great America Financial Services on September 8, 2019 for the use of a copy machine. Future lease payments are as follows:

2022	$ 3,219
2023	3,219
2024	3,219
2025	537

The City of Eunice entered into a 60 month lease agreement with Wells Fargo Financial Leasing, Inc. on February 5, 2021 for the use of a copy machine. Future lease payments are as follows:

2022	$ 1,908
2023	1,908
2024	1,908
2025	1,908
2026	1,113

NOTE 13 PENDING LITIGATION

Various lawsuits are presently pending against the City of Eunice. In all cases where damages are being sought from the City, attorneys for the City are of the opinion that any judgements rendered in favor of the plaintiffs or payments resulting from the compromise settlements, if any, will be within the limits of the various insurance coverages carried by the City. In one lawsuit, which may not be covered by insurance, the City attorney is unable to estimate liability to the City of Eunice, if any.

NOTE 14 PRIOR PERIOD ADJUSTMENT

The implementation of GASB Statement No. 84 had the following effect on fund balance as reported at June 30, 2020:

	Inmate Trust Account	Police Evidence Account	Total
Net position, beginning	$ -	$ -	$ -
Prior period adjustment, Implementation of GASB 84	11,546	2,587	14,133
Net position, beginning as restated	$ 11,546	$ 2,587	$ 14,133

The implementation of GASB Statement No. 84 had the following effect on net position as reported at June 30, 2020:

	Governmental Activities
Net position - June 30, 2020	$ 11,271,771
Prior period adjustment- GASB 84	(14,133)
Net position - June 30, 2020-restated	$ 11,257,638

Due to the implementation of GASB Statement No. 84, the new classification of custodial fund is reporting a beginning net position of $14,133. Also related to the implementation of GASB Statement No. 84, the City will no longer be reporting the Payroll Fund as a Fiduciary Fund. At June 30, 2020, the payroll fund reported assets and liabilities of $276,081.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EUNICE, LOUISIANA
General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues:				
Taxes	$ 1,482,000	$ 1,426,000	$ 1,377,905	$ (48,095)
Licenses and permits	517,000	510,000	589,676	79,676
Intergovernmental revenues	353,000	1,033,000	250,674	(782,326)
Fines and forfeitures	15,000	8,000	16,139	8,139
Liberty Cajun Music Show	52,755	11,560	2,245	(9,315)
Interest	2,030	4,090	4,277	187
Miscellaneous	754,675	584,750	657,860	73,110
Total revenues	3,176,460	3,577,400	2,898,776	(678,624)
Expenditures				
Current -				
General government	1,574,000	1,644,300	1,692,455	(48,155)
Public safety	4,159,600	4,629,600	4,488,902	140,698
Public works	928,100	941,600	972,798	(31,198)
Health and welfare	78,700	72,900	10,685	62,215
Culture and recreation	802,775	642,225	606,345	35,880
Other	53,000	56,000	53,255	2,745
Capital outlay	-	-	13,529	(13,529)
Total expenditures	7,596,175	7,986,625	7,837,969	148,656
Excess (deficiency) of revenues over expenditures	(4,419,715)	(4,409,225)	(4,939,193)	(529,968)
Other financing sources (uses):				
Operating transfers in	4,432,500	5,232,400	5,558,735	326,335
Operating transfers out	-	-	(50,000)	(50,000)
Total other financing sources (uses	4,432,500	5,232,400	5,508,735	276,335
Excess (deficiency) of revenues and other sources over expenditures and other uses	12,785	823,175	569,542	(253,633)
Fund balances, beginning	3,344	132,338	132,338	-
Prior period adjustment, Implementation of GASB 84	-	-	(14,133)	(14,133)
Fund balances, beginning - restated	3,344	132,338	118,205	(14,133)
Fund balances, ending	$ 16,129	$ 955,513	$ 687,747	$ (267,766)

See accompanying notes to Required Supplementary Information.

CITY OF EUNICE, LOUISIANA
Sales Tax Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:				
Taxes	$ 5,390,000	$ 6,370,000	$ 6,936,965	$ 566,965
Intergovernmental revenues	25,000	275,000	840,885	565,885
Other	-	10,000	-	(10,000)
Interest	7,000	7,000	27,838	20,838
Total revenues	5,422,000	6,662,000	7,805,688	1,143,688
Expenditures:				
Current -				
General government	73,785	129,800	236,629	(106,829)
Culture and recreation	12,800	70,300	72,880	(2,580)
Public safety	54,700	63,400	101,245	(37,845)
Public works	54,300	54,300	676,378	(622,078)
Capital outlay	1,610,000	1,892,509	781,017	1,111,492
Debt service -				
Principal retirement	61,260	61,500	123,604	(62,104)
Interest	18,330	18,000	20,993	(2,993)
Total expenditures	1,885,175	2,289,809	2,012,746	277,063
Excess of revenues over expenditures	3,536,825	4,372,191	5,792,942	1,420,751
Other financing sources (uses):				
Operating transfers out	(3,502,500)	(4,487,400)	(5,191,665)	(704,265)
Total other financing sources (uses)	(3,502,500)	(4,487,400)	(5,191,665)	(704,265)
Excess (deficiency) of revenues and other sources over expenditures and other uses	34,325	(115,209)	601,277	716,486
Fund balances, beginning	5,402,975	5,562,056	5,562,056	-
Fund balances, ending	$ 5,437,300	$ 5,446,847	$ 6,163,333	$ 716,486

See accompanying notes to Required Supplementary Information.

CITY OF EUNICE, LOUISIANA
St. Landry & Acadia Parish Fire District
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:				
Intergovernmental revenues	$ 387,000	$ 380,000	$ 365,408	$ (14,592)
Interest	-	40	226	186
Total revenues	387,000	380,040	365,634	(14,406)
Expenditures				
Current -				
General government	-	-	-	-
Public safety	87,000	84,625	136,870	(52,245)
Total expenditures	87,000	84,625	136,870	(52,245)
Excess (deficiency) of revenues over expenditures	300,000	295,415	228,764	37,839
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	(300,000)	(295,000)	(280,000)	15,000
Total other financing uses	(300,000)	(295,000)	(280,000)	15,000
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	415	(51,236)	(51,651)
Fund balances, beginning	124,577	97,421	97,421	-
Fund balances, ending	$ 124,577	$ 97,836	$ 46,185	$ (51,651)

See accompanying notes to Required Supplementary Information.

CITY OF EUNICE, LOUISIANA
Schedule of Employer's Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2021

	Fiscal Year	Employer Proportionate of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of It's Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
MERS	2015	0.965991%	$ 2,479,162	$1,537,227	161.30%	76.94%
	2016	0.966778%	3,453,482	1,765,280	195.63%	66.18%
	2017	0.980160%	4,017,392	1,751,763	229.33%	62.17%
	2018	0.965789%	4,040,303	1,869,843	216.07%	62.49%
	2019	1.026833%	4,251,785	1,674,619	253.89%	63.94%
	2020	0.904617%	3,780,088	1,609,496	234.86%	64.68%
	2021	0.844050%	3,649,173	1,608,706	226.84%	64.52%
MPERS	2015	0.432919%	2,708,377	1,115,181	242.86%	75.10%
	2016	0.340775%	2,669,616	996,046	268.02%	70.73%
	2017	0.392600%	3,679,768	1,143,297	321.85%	66.42%
	2018	0.381941%	3,334,507	1,163,519	286.59%	70.72%
	2019	0.393876%	3,329,852	1,106,403	300.96%	71.88%
	2020	0.352127%	3,197,903	1,009,496	316.78%	71.01%
	2021	0.322396%	2,979,690	1,142,457	260.81%	70.95%
FRS	2015	0.332973%	1,481,701	726,902	203.84%	76.02%
	2016	0.331590%	1,789,628	727,923	245.85%	72.45%
	2017	0.322836%	2,111,639	795,794	265.35%	68.16%
	2018	0.340832%	1,953,598	847,331	230.56%	76.55%
	2019	0.355897%	2,047,057	824,575	248.26%	74.76%
	2020	0.341174%	2,136,401	864,447	247.14%	73.96%
	2021	0.347222%	2,406,786	932,751	258.03%	72.61%
LASERS	2015	0.000880%	55,213	17,212	320.80%	73.99%
	2016	0.000960%	65,158	17,212	378.56%	62.67%
	2017	0.000940%	73,657	17,212	427.94%	57.70%
	2018	0.000970%	67,925	17,212	394.64%	62.50%
	2019	0.000920%	62,402	17,212	364.54%	64.49%
	2020	0.000890%	64,697	17,212	375.88%	62.90%
	2021	0.000890%	73,774	17,212	428.62%	58.00%

This schedule will contain ten years of historical information once such information becomes available.

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

See accompanying notes to Required Supplementary Information.

CITY OF EUNICE, LOUISIANA
Schedule of Employer's Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2021

	Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percent of Covered Employee Payroll
MERS	2015	$ 294,884	$ 294,884	$ -	$1,537,227	19.18%
	2016	349,677	349,677	-	1,765,280	19.80%
	2017	398,626	398,626	-	1,751,763	22.75%
	2018	462,786	462,786	-	1,869,843	24.75%
	2019	435,401	435,401	-	1,674,619	26.00%
	2020	446,635	446,635	-	1,609,496	27.75%
	2021	474,568	474,568	-	1,608,706	29.50%
MPERS	2015	345,796	345,796	-	1,115,181	31.00%
	2016	294,230	294,230	-	996,046	29.53%
	2017	362,912	362,912	-	1,143,297	31.75%
	2018	357,782	357,782	-	1,163,519	30.75%
	2019	356,814	356,814	-	1,106,403	32.25%
	2020	328,240	328,240	-	1,009,970	32.50%
	2021	385,580	385,580	-	1,142,457	33.75%
FRS	2015	212,619	212,619	-	726,902	29.25%
	2016	198,359	198,359	-	727,923	29.25%
	2017	200,937	200,937	-	795,794	25.25%
	2018	224,543	224,543	-	847,331	26.50%
	2019	218,512	218,512	-	824,575	26.50%
	2020	235,844	235,844	-	864,447	27.75%
	2021	300,812	300,812	-	932,751	32.25%
LASERS	2015	7,143	7,143	-	17,212	41.50%
	2016	6,835	6,835	-	17,212	39.71%
	2017	6,317	6,317	-	17,212	36.70%
	2018	6,816	6,816	-	17,212	39.60%
	2019	6,721	6,721	-	17,212	39.00%
	2020	7,229	7,229	-	17,212	42.00%
	2021	7,505	7,505	-	17,212	43.60%

This schedule will contain ten years of historical information once such information becomes available.

See accompanying notes to Required Supplementary Information.

Notes to Required Supplementary Information

NOTE 1 LEGAL COMPLIANCE - BUDGETS

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

The City Clerk prepares a proposed budget and submits same to the Mayor and Council no later than fifteen days prior to the beginning of each fiscal year.

A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Council.

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles of the United States of America. Budgeted amounts are as originally adopted or as amended from time to time by the Board of Aldermen. The budget was amended prior to the fiscal year end June 30, 2021.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Expenditures Over Appropriations in Individual Funds:

	Budget	Actual	Variance
St. Landry Acadia	$84,625	$136,870	$(52,245)

NOTE 3 PENSION PLAN

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

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

CITY OF EUNICE, LOUISIANA
Nonmajor Governmental Funds
Balance Sheet
June 30, 2021

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 72,911	$ 45,232	$ 118,143
Due from other funds	807	-	807
Total assets	$ 73,718	$ 45,232	$ 118,950
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	$ -	$ -	$ -
Due to other funds	-	-	-
Total liabilities	-	-	-
Fund balances:			
Assigned	73,718	45,232	118,950
Total fund balances	73,718	45,232	118,950
Total liabilities and fund balances	$ 73,718	$ 45,232	$ 118,950

CITY OF EUNICE, LOUISIANA
Nonmajor Governmental Funds
Statement of Revenues, Expenditures, and Changes in
Fund Balances
Year Ended June 30, 2021

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental revenues	$ 4,239	$ -	$ 4,239
Fines, forfeitures and bonds	2,250	-	2,250
Interest	334	216	550
Total revenues:	6,823	216	7,039
Expenditures:			
Current -			
General government	456	-	456
Public safety	369	-	369
Total expenditures	825	-	825
Excess (deficiency) of revenues and other sources over expenditures and other uses	5,998	216	6,214
Fund balances, beginning	67,720	45,016	112,736
Fund balances, ending	$ 73,718	$ 45,232	$ 118,950

NONMAJOR SPECIAL REVENUE FUNDS

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

PUBLIC SAFETY TESTING FUND

To account for receipts and expenditures associated with court fees collected in connection with drug and alcohol related driving offenses.

COURT APPEARANCE BOND FUND

To account for receipts and expenditures associated with the receipt of appearance bonds collected on arrests and traffic citations.

WITNESS FEES FUND

To account for receipts and expenditures associated with witness fees collected by City Court.

CITY OF EUNICE, LOUISIANA
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2021

	Public Safety Testing Fund	Court Appearance Bond Fund	Witness Fees Fund	Totals
ASSETS				
Cash	$ 16,944	$ 30,532	$ 25,435	$ 72,911
Due from other funds	-	-	807	807
Total assets	$ 16,944	$ 30,532	$ 26,242	$ 73,718
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
Fund balances:				
Assigned	16,944	30,532	26,242	73,718
Total fund balances	16,944	30,532	26,242	73,718
Total liabilities and fund balances	$ 16,944	$ 30,532	$ 26,242	$ 73,718

CITY OF EUNICE, LOUISIANA

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2021

	Public Safety Testing Fund	Court Appearance Bond Fund	Witness Fees Fund	Totals
Revenues:				
Intergovernmental revenues	$ 352	$ -	$ 3,887	$ 4,239
Fine, forfeitures and bonds	-	2,250	-	2,250
Interest	81	142	111	334
Total revenues	433	2,392	3,998	6,823
Expenditures				
Current -				
General government	-	-	456	456
Public safety	-	369	-	369
Total expenditures	-	369	456	825
Excess (deficiency) of revenues over expenditures	433	2,023	3,542	5,998
Fund balances, beginning	16,511	28,509	22,700	67,720
Fund balances, ending	$16,944	$ 30,532	$ 26,242	$ 73,718

NONMAJOR CAPITAL PROJECT FUNDS

Capital Project funds are used to account for specific revenues that are legally restricted to expenditures for capital projects.

CITY OF EUNICE, LOUISIANA
Nonmajor Capital Projects Fund
Balance Sheet
June 30, 2021

ASSETS	
Cash	$45,232
Total assets	$45,232
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	$ -
Total liabilities	-
Fund balances:	
Assigned	45,232
Total fund balances	45,232
Total liabilities and fund balances	$45,232

CITY OF EUNICE, LOUISIANA
Nonmajor Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2021

Revenues:	
Intergovernmental revenues	$ -
Interest	216
Total revenues	216
Expenditures	
Current -	
General government	-
Capital Outlay	-
Total expenditures	-
Excess (deficiency) of revenues over expenditures	216
Fund balances, beginning	45,016
Fund balances, ending	$ 45,232

ENTERPRISE FUNDS

UTILITY FUND

The fund is to account for the city's operation of the gas and sewer departments.

CITY OF EUNICE, LOUISIANA
Enterprise Fund
Utility Fund
Statement of Revenues, Expenditures and Changes in Net Position
Year Ended June 30, 2021

	Gas Department	Sewer Department	Total
Operating revenues:			
Charges for services	$ 1,202,394	$ 1,255,003	$ 2,457,397
Other billings to customers	28,549	9,760	38,309
Total operating revenues	1,230,943	1,264,763	2,495,706
Operating expenses			
Payroll and related benefits	264,668	382,998	647,666
Natural gas purchases	581,034	-	581,034
Supplies and materials	42,419	108,142	150,561
Repairs and maintenance	137,388	295,847	433,235
Office expenses	32,216	9,727	41,943
Professional fees	13,590	13,589	27,179
Insurance - general	70,561	29,262	99,823
Depreciation	94,362	281,813	376,175
Group insurance	36,710	45,182	81,892
Bad debts	9,802	-	9,802
Permits	-	26,632	26,632
Utilities and telephone	14,644	214,141	228,785
Lease expense	26,290	10,385	36,675
Miscellaneous	51,357	21,981	73,338
Total operating expenses	1,375,041	1,439,699	2,814,740
Operating income (loss)	$ (144,098)	$ (174,936)	(319,034)
Nonoperating income (loss):			
Interest earned on investments			2,991
Nonemployer pension contribution			15,610
Total nonoperating income			18,601
Income before operating transfers			(300,433)
Operating transfers:			
Operating transfers in			661,236
Operating transfers out			(698,306)
Total operating transfers			(37,070)
Change in net position			(337,503)
Net position, beginning			5,695,572
Net position, ending			$ 5,358,069

INTERNAL CONTROL
AND
COMPLIANCE

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

The Honorable Mayor Scott Fontenot
and Members of the Council
City of Eunice, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Eunice, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City of Eunice, Louisiana's basic financial statements and have issued our report thereon dated December 15, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Eunice, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Eunice, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Eunice, Louisiana's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items #2021-001 through #2021-004, which we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Eunice, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items #2021-001 through #2021-004.

City of Eunice, Louisiana's Response to Findings

City of Eunice, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Eunice, 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.

Vige, Tujague & Noel

Vige, Tujague & Noel, CPA's
December 15, 2021

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EUNICE, LOUISIANA 70535

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

The Honorable Mayor Scott Fontenot
and Members of the Council
City of Eunice, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the City of Eunice, Louisiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Eunice, Louisiana's major federal programs for the year ended June 30, 2021. City of Eunice, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and responses.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of the City of Eunice, Louisiana, 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 of Eunice, Louisiana'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 of Eunice, Louisiana's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

Vige, Tujague & Noël

Vige, Tujague & Noël, CPA's
December 15, 2021

CITY OF EUNICE, LOUISIANA
Schedule of Expenditures of Federal Awards
June 30, 2021

Federal Grantor/Pass through Grantor/Program Title	Assistance Listing Number	Federal Expenditures
Department of Transportation		
Airport Improvement Program	20.106	$ 31,991
Department of Homeland Security		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	92,034
Assistance to Firefighters Grant	97.044	663,625
Department of Justice		
Edward Byrne Memorial Competitive Grant	16.751	20,625
		$ 808,275

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Eunice, Louisiana and is presented on the accrual basis of accounting. 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*. Because the Schedule presents only a selected portion of the operations of City of Eunice, Louisiana, it is not intended to and does not present the financial position, changes in net assets, or cash flows of City of Eunice, Louisiana.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 allowable or are limited as to reimbursement. City of Eunice, Louisiana has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CITY OF EUNICE, LOUISIANA

Schedule of Findings and Responses
Year Ended June 30, 2021

We have audited the financial statements of City of Eunice, Louisiana as of and for the year ended June 30, 2021, and have issued our report thereon dated December 15, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2021, resulted in an unmodified opinion.

Section I. Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control
Material Weaknesses ____ Yes _X_ No Significant Deficiencies _X_ Yes ___ No
Compliance
Noncompliance Material to Financial Statement ___ Yes _X_ No

b. Federal Awards
Internal control over major programs
Material Weaknesses ____ Yes _X_ No Significant deficiencies identified that are not considered to be material weaknesses ___ Yes _X_ No

Type of auditor's report issued in compliance for major programs:
Unmodified

Identification of a major program:

Assistance Listing Number	Name of Federal Program
14.239	Assistance to Firefighters Grant

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

Auditee qualified as low risk auditee? ☒ Yes ☐ No

Section II. Financial Statement Findings

#2021-001 Segregation of Accounting Functions

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

Criteria: SAS109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement,* AU314.43 defines internal control as follows:

> "Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations."

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT501.03 states:

> "An entity's internal control over financial reporting includes those policies and procedures that pertain to an entity's ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both."

Cause: The cause of the condition is the fact that the City does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

Effect: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

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

Response: It is not cost effective to achieve complete segregation of duties within the accounting function. No corrective action is considered necessary.

#2021-002 Budget Variance

Condition: The City's actual expenditures in the St. Landry & Acadia Parish Fire District Fund exceeded budgeted expenditures by greater than 5%. The City's budgeted revenues in the General Fund exceeded actual revenues by greater than 5%.

Criteria: When total actual expenditures exceed total budgeted expenditures by 5% or more and/or when total revenues fail to meet total budgeted revenues by 5% or more or there has been a change in operation upon which the original adopted budget was developed, the City shall adopt a budget amendment in an open meeting to reflect such a change.

Cause: The cause of the condition is that the City did not make the necessary amendments to the budget prior to the year end.

Effect: Failure to properly amend the budget results in variances beyond the 5% of budgeted revenues and expenses and results in noncompliance with budget laws.

Recommendation: We recommend that the City make the necessary amendments to the budget prior to year end for changes in revenues and expenditures incurred.

Response: The City will make the necessary amendments to the budget prior to year end for changes in estimated expenses.

#2021-003 Shortage of Pledged Securities

Condition: Bank account balances at June 30, 2021 exceeded FDIC Insurance and pledged securities from B1 Bank by $12,023.

Criteria: Under state law, bank deposit 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 or exceed 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the City's name.

Cause: The Bank monitors the account balances at the beginning of each month to determine when more security pledges are necessary.

Effect: At June 30, 2021, the City had interest bearing cash in bank in the amount of $8,154,934 and insurance and security pledges of $8,142,911, resulting in a shortage of pledges in the amount of $12,023.

Recommendation: We recommend that the City monitor the security pledges at the end of each month to ensure that they have adequate coverage.

Response: Management understands this finding and agrees with the recommendation.

#2021-004 Timely Preparation of Bank Reconciliations

Condition: The City of Eunice did not reconcile bank accounts on a timely basis.

Criteria: All bank reconciliations should be prepared on a timely basis, as statements are received from the bank.

Cause: The Clerk was unable to prepare reconciliations in a timely manner due to unexpected circumstances arising and a shortage of staff.

Effect: Untimely preparation of bank reconciliations results in a delay in financial reporting and may also allow fraudulent activity to go undetected.

Recommendation: Bank reconciliations should be prepared on a monthly basis, as statements are available from the bank.

Response: In the future, bank reconciliations will be prepared in a timely manner, as statements are received from the bank.

Section III. Federal Award Findings and Questioned Costs

None.

CITY OF EUNICE, LOUISIANA

Status of Prior Years Findings and Questioned Costs
Year Ended June 30, 2021

#2020-001 Segregation of Accounting Functions

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

Criteria: SAS109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement,* AU314.43 defines internal control as follows:

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

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT501.03 states:

"An entity's internal control over financial reporting includes those policies and procedures that pertain to an entity's ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both."

Cause: The cause of the condition is the fact that the City does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

Effect: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

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

Response: It is not cost effective to achieve complete segregation of duties within the accounting function. No corrective action is considered necessary.

Status: This finding is repeated.

#2020-002 Budget Variance

Condition: The City's actual expenditures in the St. Landry & Acadia Parish Fire District Fund exceeded budgeted expenditures by greater than 5%. The City's budgeted revenues in the General Fund exceeded actual revenues by greater than 5%.

Criteria: When total actual expenditures exceed total budgeted expenditures by 5% or more and/or when total revenues fail to meet total budgeted revenues by 5% or more or there has been a change in operation upon which the original adopted budget was developed, the City shall adopt a budget amendment in an open meeting to reflect such a change.

Cause: The cause of the condition is that the City did not make the necessary amendments to the budget prior to the year end.

Effect: Failure to properly amend the budget results in variances beyond the 5% of budgeted revenues and expenses and results in noncompliance with budget laws.

Recommendation: We recommend that the City make the necessary amendments to the budget prior to year end for changes in revenues and expenditures incurred.

Response: The City will make the necessary amendments to the budget prior to year end for changes in estimated expenses.

Status: This finding is repeated.

#2020-003 Shortage of Pledged Securities

Condition: Bank account balances at June 30, 2021 exceeded FDIC Insurance and pledged securities from B1 Bank by $36,516.

Criteria: Under state law, bank deposit 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 or exceed 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the City's name.

Cause: The Bank monitors the account balances at the beginning of each month to determine when more security pledges are necessary.

Effect: At June 30, 2020, the City had interest bearing cash in bank in the amount of $6,712,833 and insurance and security pledges of $6,676,317, resulting in a shortage of pledges in the amount of $36,516.

Status of Prior Years Findings and Questioned Costs (Continued)
Year Ended June 30, 2021

Recommendation:	We recommend that the City monitor the security pledges at the end of each month to ensure that they have adequate coverage.
Response:	Management understands this finding and agrees with the recommendation.
Status:	This finding is repeated.

CITY OF EUNICE, LOUISIANA

Schedule of Compensation Paid to Members of the Council
Year Ended June 30, 2021

Mayor, Scott Fontenot	$54,810
Germain Simpson	7,119
Marion Sattler	13,700
Connie Thibodeaux	7,119
Chad Andrepont	7,119
Ernest Blanchard	7,119
	$96,986

CITY OF EUNICE, LOUISIANA

Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
Year Ended June 30, 2021

Scott Fontenot, Mayor
Period: 12 Months

Salary	$54,810
Benefits - retirement	13,691
Benefits - insurance	5,785
Cell phone	606

CITY OF EUNICE, LOUISIANA
Justice System Funding Schedule - Receiving Entity
As Required by Act 87 of the 2020 Regular Session
Cash Basis Presentation
Year Ended June 30, 2021

	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 06/30/2021
Receipts From:		
Eunice City Court, Criminal Fines - Other	$ 2,665	$ 13,474
Eunice City Court, Witness Fees	1,152	2,285
Eunice City Court, Police	400	50
Subtotal Receipts	4,217	15,809
Ending Balance of Amounts Assessed but Not Received	$ -	$ -

CITY OF EUNICE
EUNICE, LOUISIANA

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ALDERMAN AT LARGE
CHAD ANDREPONT
WARD 1
GERMAINE SIMPSON
WARD 2
ERNEST BLANCHARD
WARD 3
CONNIE THIBODEAUX
WARD 4
GINNY MOODY
CITY CLERK
RANDY FONTENOT
CHIEF OF POLICE

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P. O. BOX 1006
EUNICE, LA 70535

RE: Management Response

The following are our responses to your recommendations we received in the City's Audited Financial Statement as of June 30, 2021.

2021-001 Segregation of Accounting Functions

A complete segregation of duties is not feasible due to the cost/benefit of hiring additional personnel and the size of the City's operations.

2021-002 Budget Variance

The City will make the necessary amendments to the budget prior to year end for changes in estimated expenses.

2021-003 Shortage of Pledged Securities

We recommend that the City monitor the security pledges at the end of each month to ensure that they have adequate coverage. Management understands this finding and agrees with the recommendation.

2021-004 Timely Preparation of Bank Reconciliations

In the future, bank reconciliations will be prepared in a timely manner, as statements are received from the bank.

Mayor Scott Fontenot