

CITY OF RAYNE, LOUISIANA

Financial Report

Year Ended September 30, 2020

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THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Charles E. Robichaux, Mayor
And the Board of Alderman
City of Rayne, Louisiana

Report on the Financial Statements

We have audited the accompanying primary government financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the City of Rayne, Louisiana, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information

The financial statements referred to above do not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units that would have been reported is unknown.

Adverse Opinion

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the City of Rayne, the reporting entity, as of September 30, 2020, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the City of Rayne, Louisiana as of September 30, 2020, 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.

Unmodified Opinions – The Primary Government

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 primary government of the City of Rayne, Louisiana, the primary government, as of September 30, 2020, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of employer OPEB contributions, Schedule of changes in net OPEB liability and related ratios, schedule of employer's proportionate share of net pension liability, schedule of employer contributions and notes to employer's proportionate share of net pension liability and schedule of employer contributions on pages 52 through 59 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.

The Honorable Charles E. Robichaux, Mayor
And the Board of Alderman
City of Rayne, Louisiana

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rayne's financial statements as a whole. The other supplementary information on pages 61 through 80 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information, except for the portion marked "unaudited" (page 78) on which we express no opinion, 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 24, 2021, on our consideration of the City of Rayne, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Rayne, Louisiana's internal control over financial reporting and compliance.

Thibodeaux Accounting Company
Thibodeaux Accounting Company
A Limited Liability Company

Rayne, Louisiana
June 24, 2021

Basic Financial Statements

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

CITY OF RAYNE, LOUISIANA
 STATEMENT OF NET POSITION
 For the Year Ended September 30, 2020

	<u>PRIMARY GOVERNMENT</u>		
	<u>GOVERNMENTAL</u>	<u>BUSINESS-TYPE</u>	<u>TOTAL</u>
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	
ASSETS			
Current Assets			
Cash and interest bearing deposits	\$ 1,989,157	\$ 2,695,620	\$ 4,684,777
Receivables	131,743	1,172,452	1,304,195
Internal balances	23,000	(23,000)	-
Due from governmental units	95,035	-	95,035
Prepaid items	-	75,151	75,151
Other	-	10,000	10,000
Inventory	-	249,900	249,900
Total Current Assets	<u>\$ 2,238,935</u>	<u>\$ 4,180,123</u>	<u>\$ 6,419,058</u>
Noncurrent Assets			
Restricted assets	\$ 327,901	\$ 580,094	907,995
Capital assets (net)	6,039,551	8,236,439	14,275,990
Construction in progress	-	-	-
Total Noncurrent Assets	<u>\$ 6,367,452</u>	<u>\$ 8,816,533</u>	<u>\$ 15,183,985</u>
TOTAL ASSETS	<u>\$ 8,606,387</u>	<u>\$ 12,996,656</u>	<u>\$ 21,603,043</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow of resources related to pensions	\$ 1,009,678	\$ 554,412	\$ 1,564,090
LIABILITIES			
Current Liabilities			
Accounts, salaries, and other payments	\$ 455,793	\$ 955,105	\$ 1,410,898
Bonds payable	-	162,000	162,000
Deferred revenues	-	-	-
Internal balances	-	-	-
Current lease payable	-	-	-
Other current liabilities	9,050	-	9,050
Total Current Liabilities	<u>\$ 464,843</u>	<u>\$ 1,117,105</u>	<u>\$ 1,581,948</u>
Noncurrent Liabilities			
Compensated absences	\$ 194,286	\$ 280,042	474,328
Net OPEB obligation	8,457,241	-	8,457,241
Customer deposits	-	348,949	348,949
Bonds payable	-	530,395	530,395
Net pension liability	4,180,195	1,426,831	5,607,026
Total Noncurrent Liabilities	<u>\$ 12,831,722</u>	<u>\$ 2,586,217</u>	<u>\$ 15,417,939</u>
TOTAL LIABILITIES	<u>\$ 13,296,565</u>	<u>\$ 3,703,322</u>	<u>\$ 16,999,887</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	\$ 109,731	\$ 161,035	\$ 270,766
NET POSITION			
Invested in capital assets, net of related debt	\$ 6,039,551	\$ 8,236,439	\$ 14,275,990
Restricted for:			
Debt service	-	1,039	1,039
Customer deposits	-	348,949	348,949
Other purposes	-	-	-
Unrestricted	(9,829,782)	1,100,284	(8,729,498)
TOTAL NET POSITION	<u>\$ (3,790,231)</u>	<u>\$ 9,686,711</u>	<u>\$ 5,896,480</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes of Primary Government			
	Expenses	Operating			Governmental Activities	Business-type Activities	Total
		Charges for Services	Grants and Contributions	Capital Grants & Contributions			
Government Activities:							
General government	\$ 3,080,521	\$ 326,187	\$ 1,425	\$ 34,400	\$ (2,718,509)	\$ -	\$ (2,718,509)
Public safety	2,249,980	292,693	4,971	-	(1,952,316)	-	(1,952,316)
Public works	1,114,105	-	-	-	(1,114,105)	-	(1,114,105)
Storm related expenses	-	-	-	-	-	-	-
Cultural and recreation	613,778	43,989	-	-	(569,789)	-	(569,789)
Community development	477,425	-	474,526	-	(2,899)	-	(2,899)
Interest on long-term debt	-	-	-	-	-	-	-
Total government activities	\$ 7,535,809	\$ 662,869	\$ 480,922	\$ 34,400	\$ (6,357,618)	\$ -	\$ (6,357,618)
Business-type activities							
City water and lights	\$ 8,605,086	\$ 9,927,560	\$ -	\$ -	-	\$ 1,322,474	\$ 1,322,474
Sewerage	759,749	855,823	-	-	-	96,074	96,074
Storm related expenses	17,172	-	-	-	-	(17,172)	(17,172)
Interest on long-term debt	6,937	-	-	-	-	(6,937)	(6,937)
Total business-type activities	\$ 9,388,944	\$ 10,783,383	\$ -	\$ -	\$ -	\$ 1,394,439	\$ 1,394,439
Total Primary Government	\$ 16,924,753	\$ 11,446,252	\$ 480,922	\$ 34,400	\$ (6,357,618)	\$ 1,394,439	\$ (4,963,179)
General Revenues and Transfers:							
Property taxes levied for general purpose				\$ 244,796	\$ -	\$ -	\$ 244,796
Property taxes levied for youth recreation				172,387	-	-	172,387
Sales taxes levied for general purposes - Beer & Sales				2,387,055	-	-	2,387,055
Franchise taxes				86,738	-	-	86,738
Gaming revenues				321,496	-	-	321,496
Grants and contributions not restricted to specific programs				-	-	-	-
Investment earnings				2,876	3,281	-	6,157
Other general revenues				193,656	22,447	-	216,103
Transfers				1,096,449	(1,096,449)	-	-
Total General Revenues and Transfers				\$ 4,505,453	\$ (1,070,721)	\$ -	\$ 3,434,732
Change in Net Position				(1,852,165)	323,718	-	(1,528,447)
Prior Period Adjustment				22,325	-	-	22,325
Net position-beginning of year				(1,960,391)	9,362,993	-	7,402,602
Net position-ending				\$ (3,790,231)	\$ 9,686,711	\$ -	\$ 5,896,480

The accompanying notes are an integral part of this statement.

Fund Financial Statements (FFS)

Major Fund Descriptions

General Fund

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Sales Tax Fund

To account for the collection and disbursement of the City's two percent (2%) sales and use tax.

City, Water and Light Plant Fund (Utility Fund)

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

Sewer Fund

To account for the provision of wastewater treatment services to the residents of the City and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administrative maintenance, financing and related debt service, and billing and collection.

CITY OF RAYNE, LOUISIANA

BALANCE SHEET
For the Year Ended September 30, 2020

	GENERAL FUND	SALES TAX FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 540,380	\$ 1,307,430	\$ 141,347	\$ 1,989,157
Investments	161,321	-	166,580	327,901
Due from other funds	23,000	-	4,495	27,495
Other assets	-	-	-	-
Other receivables	140,899	84,797	1,082	226,778
TOTAL ASSETS	\$ 865,600	\$ 1,392,227	\$ 313,504	\$ 2,571,331
LIABILITIES & FUND BALANCES				
Liabilities				
Accounts payable	\$ 237,969	\$ -	\$ 2,715	\$ 240,684
Accrued liabilities	183,003	7,905	23,986	214,894
Due to other funds	4,495	-	-	4,495
Due to other governments	215	-	-	215
Other liabilities	9,050	-	-	9,050
TOTAL LIABILITIES	\$ 434,732	\$ 7,905	\$ 26,701	\$ 469,338
Fund Balance				
Restricted	\$ 174,378	\$ -	\$ 286,803	\$ 461,181
Assigned	-	1,384,322	-	1,384,322
Unassigned	256,490	-	-	256,490
TOTAL FUND BALANCE	\$ 430,868	\$ 1,384,322	\$ 286,803	\$ 2,101,993
TOTAL LIABILITIES AND FUND BALANCES	\$ 865,600	\$ 1,392,227	\$ 313,504	\$ 2,571,331

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Reconciliation of The Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
For the Year Ended September 30, 2020

Total Fund Balances for governmental funds at September 30, 2020		\$ 2,101,993
Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds. Those assets consist of:		
Governmental capital assets	\$ 15,005,780	
Less: Accumulated depreciation	<u>(8,966,229)</u>	6,039,551
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Net other post-employment benefit obligation	(8,457,241)	
Compensated absences	<u>(194,286)</u>	(8,651,527)
Rounding		-
Prior Period Adjustment		-
Deferred Outflows	\$ 1,009,678	
Net pension liability	(4,180,195)	
Deferred inflows	<u>(109,731)</u>	<u>(3,280,248)</u>
Net Position of Governmental Activities at September 30, 2020		<u>\$ (3,790,231)</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

STATEMENT OF REVENUES EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	GENERAL FUND	SALES TAX FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes				
Ad valorem	\$ 244,796	\$ -	\$ 172,387	\$ 417,183
Sales and use	-	2,372,828	-	2,372,828
Other taxes	86,738	-	-	86,738
Licenses and permits	326,186	-	-	326,186
Intergovernmental revenues	407,924	-	-	407,924
Federal grants	-	-	474,526	474,526
State grants	40,796	-	-	40,796
Charges for services	27,215	-	16,785	44,000
Fines and forfeitures	169,785	-	-	169,785
Investment earnings	1,417	948	511	2,876
Other revenues	223,721	-	20,641	244,362
Total Revenues	<u>\$ 1,528,578</u>	<u>\$ 2,373,776</u>	<u>\$ 684,850</u>	<u>\$ 4,587,204</u>
EXPENDITURES				
General government	\$ 1,519,505	\$ 60,999	\$ 5,096	\$ 1,585,600
Public safety	2,231,425	-	-	2,231,425
Public works	1,106,946	-	-	1,106,946
Public works - Storm related expenses	-	-	-	-
Cultural and recreation	355,312	-	239,310	594,622
Urban redevelopment and housing	-	-	509,678	509,678
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ 5,213,188</u>	<u>\$ 60,999</u>	<u>\$ 754,084</u>	<u>\$ 6,028,271</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (3,684,610)</u>	<u>\$ 2,312,777</u>	<u>\$ (69,234)</u>	<u>\$ (1,441,067)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Issuance of debt	\$ -	\$ -	\$ -	\$ -
Transfers in	3,240,463	-	81,641	3,322,104
Transfers out	-	(2,225,476)	(180)	(2,225,656)
Payment to refunded debt	-	-	-	-
Service agent	-	-	-	-
Total Other Financing Sources and Uses	<u>\$ 3,240,463</u>	<u>\$ (2,225,476)</u>	<u>\$ 81,461</u>	<u>\$ 1,096,448</u>
Net Change in Fund Balance	\$ (444,147)	\$ 87,301	\$ 12,227	\$ (344,619)
Fund balances - beginning	852,689	1,297,021	274,576	2,424,286
Prior period adjustment	22,325	-	-	22,325
Fund balances - ending	<u>\$ 430,867</u>	<u>\$ 1,384,322</u>	<u>\$ 286,803</u>	<u>\$ 2,101,992</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Reconciliation of The Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities

For the Year Ended September 30, 2020

Total net changes in fund balances at September 30, 2020 for statement of revenues, expenditures and changes in fund balances	\$ (344,619)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlay which is considered expenditures on statement of revenues, expenditures and charges in fund balances.</p>	
	\$ 362,273
Depreciation expense for the period ended September 30, 2020	<u>(380,230)</u>
	(17,957)
<p>In the statement of activities, only the gain or loss on the sale of assets is reported. Whereas, in the government funds, the proceeds from the sale increases financial resources.</p>	
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
Increase in Compensated Allowances	(23,903)
Transfer of Assets to Proprietary Fund	-
Loss on Disposal of Assets	(10,439)
Miscellaneous Adjustment	-
<p>The change in other post employment benefit obligation reported in the statement of activities does not require the use of current financial resources, and, therefore, is not reported as an expenditure in the governmental funds.</p>	
	(1,151,333)
Net change in pension liability and deferred inflows	<u>(303,914)</u>
Total changes in net position at September 30, 2020 for statement of activities	<u>\$ (1,852,165)</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2020

	BUSINESS-TYPE ACTIVITIES		
	Enterprise Funds		
	UTILITY FUND	SEWER FUND	TOTAL
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 1,404,963	\$ 1,290,657	\$ 2,695,620
Receivables (net of allowances for uncollectibles)	1,014,524	157,928	1,172,452
Due from other funds	-	39,460	39,460
Inventory	248,306	1,594	249,900
Prepaid items	75,151	-	75,151
Other assets	10,000	-	10,000
Total Current Assets	<u>\$ 2,752,944</u>	<u>\$ 1,489,639</u>	<u>\$ 4,242,583</u>
Non-Current Assets			
Restricted Assets			
Cash	\$ 100,901	\$ -	\$ 100,901
Customer deposits	478,154	-	478,154
Bond reserve account	-	1,039	1,039
Capital assets net of accumulated depreciation	3,899,027	4,337,412	8,236,439
Total Non-Current Assets	<u>\$ 4,478,082</u>	<u>\$ 4,338,451</u>	<u>\$ 8,816,533</u>
TOTAL ASSETS	<u>\$ 7,231,026</u>	<u>\$ 5,828,090</u>	<u>\$ 13,059,116</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	\$ 466,891	\$ 87,521	\$ 554,412
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 835,648	\$ 14,420	\$ 850,068
Accrued liabilities	105,037	-	105,037
Due to other funds	62,460	-	62,460
Other liabilities	-	-	-
Current lease payable	-	-	-
Payable from restricted assets			
Customer deposits	348,949	-	348,949
Revenue bonds	116,000	46,000	162,000
Total Current Liabilities	<u>\$ 1,468,094</u>	<u>\$ 60,420</u>	<u>\$ 1,528,514</u>
Non-Current Liabilities			
Compensated absences	\$ 205,209	\$ 74,833	\$ 280,042
Leases payable	-	-	-
General obligation bonds	-	-	-
Revenue bonds	180,678	349,717	530,395
Net pension liability	1,295,343	131,488	1,426,831
Total Non-Current Liabilities	<u>\$ 1,681,230</u>	<u>\$ 556,038</u>	<u>\$ 2,237,268</u>
TOTAL LIABILITIES	<u>\$ 3,149,324</u>	<u>\$ 616,458</u>	<u>\$ 3,765,782</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	123,868	37,167	161,035
NET POSITION			
Invested in capital assets, net of related debt	\$ 3,899,027	\$ 4,337,412	\$ 8,236,439
Restricted for debt service	-	1,039	1,039
Restricted for customer deposits	348,949	-	348,949
Unrestricted	176,749	923,535	1,100,284
TOTAL NET POSITION	<u>\$ 4,424,725</u>	<u>\$ 5,261,986</u>	<u>\$ 9,686,711</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended September 30, 2020

	BUSINESS-TYPE ACTIVITIES		
	Enterprise Funds		
	UTILITY FUND	SEWER FUND	TOTAL
Operating Revenues			
Charges for services:			
Electricity sales	\$ 8,104,133	\$ -	\$ 8,104,133
Sewer charges	-	855,823	855,823
Water sales	1,052,543	-	1,052,543
Other services	770,884	-	770,884
Total Operating Revenues	\$ 9,927,560	\$ 855,823	\$ 10,783,383
Operating Expenses			
Electric generating	\$ 5,453,430	\$ -	\$ 5,453,430
Electric distribution	581,595	-	581,595
Water department	431,096	-	431,096
Water treatment plant	438,460	-	438,460
Overhead	1,641,158	-	1,641,158
Warehouse	59,347	-	59,347
Sewer department	-	759,749	759,749
Total Operating Expenses	\$ 8,605,086	\$ 759,749	\$ 9,364,835
Operating Income	\$ 1,322,474	\$ 96,074	\$ 1,418,548
Nonoperating Revenues (Expenses)			
Intergovernmental			
State grants	\$ -	-	\$ -
Federal grants	-	-	-
Interest earnings	3,280	1	3,281
Interest expense	(5,194)	(1,743)	(6,937)
Loss on sale of equipment	-	-	-
Storm related expenses	(14,841)	(2,331)	(17,172)
Insurance claims	14,204	-	14,204
Miscellaneous	8,239	4	8,243
Total Nonoperating Revenues (Expenses)	\$ 5,688	\$ (4,069)	\$ 1,619
Income Before Contributions and Transfers	\$ 1,328,162	\$ 92,005	\$ 1,420,167
Capital Contributions	\$ -	\$ -	\$ -
Transfers in	-	-	-
Transfers out	(1,007,152)	(89,297)	(1,096,449)
Total Transfers and Contributions	\$ (1,007,152)	\$ (89,297)	\$ (1,096,449)
Change in Net Position	\$ 321,010	\$ 2,708	\$ 323,718
Prior Period Adjustment	\$ -	\$ -	\$ -
Total Net Position - Beginning	4,103,715	5,259,278	9,362,993
Total Net Position - Ending	\$ 4,424,725	\$ 5,261,986	\$ 9,686,711

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended September 30, 2020

	Business-Type Activities Enterprise Funds		TOTAL
	UTILITY	SANITATION	
Cash flows from operating activities:			
Cash received from customers	\$ 8,477,758	\$ 1,042,503	\$ 9,520,261
Cash payment to suppliers for goods and services	(5,820,640)	(616,180)	(6,436,820)
Cash payments to employees for services	(1,366,161)	(168,937)	(1,535,098)
Other operating revenues	770,884	-	770,884
Net cash provided by operating activities	\$ 2,061,841	\$ 257,386	\$ 2,319,227
Cash flows from non-capital financing activities:			
Operating transfers-out to other funds	\$ (1,007,152)	\$ (89,297)	\$ (1,096,449)
Operating transfers-in from other funds	-	-	-
Other non-operating revenue	22,443	4	22,447
Grants	-	-	-
Amounts to (from) other funds	62,460	(39,460)	23,000
Net receipts (payments) of customers' deposits	5,593	-	5,593
Net cash used for non-capital financing activities	\$ (916,656)	\$ (128,753)	\$ (1,045,409)
Cash flows from capital and related financing activities:			
Principal note/lease payments	\$ -	\$ -	\$ -
Acquisition and construction of capital assets	(148,164)	-	(148,164)
Proceeds from revenue bonds	68,562	180,678	249,240
Principal paid on revenue bonds	(112,000)	(18,000)	(130,000)
Interest paid on revenue bonds	(5,194)	(1,743)	(6,937)
Net cash used for capital and related financing activities	\$ (196,796)	\$ 160,935	\$ (35,861)

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2020

	Business-Type Activities Enterprise Funds		TOTAL
	UTILITY	SANITATION	
Cash flows from investing activities			
Net investment activity		\$ -	
Interest on investments	3,280	1	3,281
Net cash provided (used) by investing activities	\$ 3,280	\$ 1	\$ 3,281
Net increase (decrease) in cash	\$ 951,669	\$ 289,569	\$ 1,241,238
Cash, beginning of year	554,195	1,001,088	1,555,283
Cash, end of year	\$ 1,505,864	\$ 1,290,657	\$ 2,796,521
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 1,322,474	\$ 96,074	\$ 1,418,548
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	\$ 279,173	\$ 269,977	\$ 549,150
Net provision for uncollectible accounts	-	-	-
Changes in assets and liabilities:			
Decrease (Increase) in receivables	(76,359)	(31,707)	(108,066)
Decrease (Increase) in inventory	(7,198)	334	(6,864)
Decrease (Increase) in prepaid expenses	(3,839)		(3,839)
Decrease (Increase) in other assets	(5,593)		(5,593)
(Decrease) Increase in accounts payable	309,048	(3,899)	305,149
(Decrease) Increase in other payables	244,135	(73,393)	170,742
Total adjustments	\$ 739,367	\$ 161,312	\$ 900,679
Net cash provided by operating activities	\$ 2,061,841	\$ 257,386	\$ 2,319,227

The accompanying notes are an integral part of this statement.

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the City of Rayne, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The City of Rayne was incorporated on May 2, 1883, under the provisions of the Lawrason Act. The City operates under a Mayor-Board of Alderman form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

As the municipal governing authority for financial reporting purposes, the City of Rayne is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the City of Rayne for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority for an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature of the significance of the relationship.

Based on the previous criteria, the City has determined that the following are component units:

1. Rayne City Court is fiscally dependent on the City for office space and courtrooms. The City also has authority over its budget. The Rayne City Court's fiscal year end is September 30, 2020. A copy of the Rayne City Court's audit can be obtained by sending a request to Rayne City Court, Post Office Box 61, Rayne, LA 70578.

Notes to the Basic Financial Statements

2. Rayne Marshal's Fund is fiscally dependent on the City for office space. The Marshal's Fund year end is September 30, 2020 and a copy of this report can be obtained by sending a request to Rayne Marshal's Fund, Post Office Box 61, Rayne, LA 70578.

The City of Rayne Housing Authority was chartered by the City and is a related organization since the Mayor appoints a voting majority of the Housing Authority's governing board. The City of Rayne is not financially accountable for the Housing Authority, it cannot impose its will on the Housing Authority, and there is no potential for the Housing Authority to provide financial benefit or impose financial burdens on the City of Rayne. Therefore, the Housing Authority has not been included in the reporting entity.

The City has chosen to issue financial statements of the primary government only; therefore, none of the previously listed component units are included in the accompanying financial statements. Financial statements for these component units can be obtained from the individual component units.

These primary government financial statements include all major funds, aggregate non-major funds, and organizations for which the City maintains the accounting records.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's financial statements are not a substitute for the reporting entity's financial statements. The City has chosen to issue financial statements of the primary government only. As such, these financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government.

Management's Discussion and Analysis (MD&A)

GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A). This analysis is similar to the analysis the private sector provides in their annual reports. Management has elected to omit the MD&A.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements, the statement of net position and the statement of changes in net position, report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 (1) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. There are no indirect expenses.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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

Fund Financial Statements (FFS)

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

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

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

The major funds of the City are described below:

Governmental Funds -

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.

Sales Tax Fund

The sales tax fund accounts for the collection and disbursement of the City's two percent (2%) sales and use tax.

Proprietary Funds -

The City reports the following major enterprise fund.

Utility Fund

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

Notes to the Basic Financial Statements

Additionally, the City reports the following fund types:

Special Revenue Funds

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

Debt Service Funds

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

C. Measurement Focus/Basis of Accounting

Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the net change in fund balance.

On the government-wide statements of net position and statements of activities, both the governmental and business-type activities are presented using the economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these activities are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position.

Basis of Accounting

The statements of net position, statements of activities, and financial statements of the proprietary funds are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred without regard to receipt or disbursement of cash. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded when payment is due.

D. Assets, Liabilities and Equity

Cash and Interest Bearing Deposits

For purposes of the statements of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Receivables

In the government wide statements, receivables consist of revenues earned but not yet received at year-end. For governmental activities, the major receivable balances at year-end are receivables from governmental units. Business type activities report customer's utility and sewer service receivables as the major receivables. Uncollectible amounts due for customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility and sewer receivables was \$898,427 and \$847,023 at September 30, 2019 and 2018, respectively.

Inventory and Prepaid Items

Inventories in the proprietary fund are valued at cost, which approximates market using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City of Rayne maintains a threshold level of \$2,000 or more for capitalizing capital assets.

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

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

Buildings	40 years
Equipment	5-20 years
Utility System & Improvements	20-40 years
Infrastructure	20-40 years

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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

Long-term debt

In the government-wide statements, all long-term debt is reported as liabilities and is repaid from governmental and business-type resources. The long-term debt consists mainly of general obligation bonds, revenue bonds, and utility meter deposits.

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

Compensated Absences

City employees are entitled to certain compensated absences based upon their length of service. Annual leave shall be earned by regular employees based on continuous service as indicated by the following:

- a. Less than seven months, no credit.
- b. Seven months but less than twelve months, ½ day per month.
- c. One year but less than seven years, twelve days per year.
- d. Seven years but less than fourteen years, fifteen days per year.
- e. Fourteen years or more of service, eighteen days per year.

No annual leave shall be earned while an employee is on leave of absence without pay or during a period of suspension. The maximum amount of annual leave that is allowed to be carried forward is one year of earned leave plus one-third of earned annual leave.

Sick leave is accumulated based on continuous employment in the amount of one day per month beginning with the seventh month of employment. Upon termination, employees are paid for all annual leave. Sick leave is forfeited upon termination of employment. A retiring employee, at his election, may use accrued sick leave towards extension of his retirement date. Since sick leave only vest upon retirement, an accrual is made only when an employee is eligible for retirement. The total accrued sick leave is \$388,845 and is included on the financial statements as a noncurrent liability.

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 borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use 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.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

- 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.”

The City’s assets and deferred outflows or resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$5,896,480 (total net position), of which \$(8,729,498) is unrestricted net position. The City’s net position is comprised of (\$3,790,231) from governmental activities and \$9,686,711 from business-type activities.

In the fund statements, governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

Beginning with the fiscal year 2011, the City adopted GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. As such, fund balances of the governmental funds are classified as follows:

Nonspendable - funds that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – funds that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be spent only for specific purposes determined by a formal action of the council members. These amounts are imposed at the highest level of authority. The Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by council members.

Assigned - funds whose intended use has been established that do not meet the criteria to be classified as restricted or committed. These amounts can be, but are not required to be, imposed at the highest level of authority. For the City, this is the Council. They do not have to be binding and action does not have to be taken prior to year-end.

Unassigned – all other spendable amounts.

Fund balances for the period ending September 30, 2020

	For year ended September 30, 2020				For year ended September 30, 2019			
	General Fund	Sales Tax Fund	Other Governmental Funds	Total	General Fund	Sales Tax Fund	Other Governmental Funds	Total
Restricted	\$ 174,378	\$ -	\$ 286,803	\$ 461,181	Restricted \$ 117,307	\$ -	\$ 274,577	\$ 391,884
Assigned	-	1,384,322	-	1,384,322	Assigned -	1,297,021	-	1,297,021
Unassigned	256,490	-	-	256,490	Unassigned 735,382	-	-	735,382
Total Fund Balances	\$ 430,868	\$ 1,384,322	\$ 286,803	\$ 2,101,993	Total Fund Balances \$ 852,689	\$ 1,297,021	\$ 274,577	\$ 2,424,287

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

The City of Rayne considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The City also considers committed fund balances to be spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Council has provided otherwise in its commitment or assignment actions when other unrestricted fund balances classifications are available for use.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities. In the fund financial statements, the governmental funds expenditures are classified by function and the proprietary fund expenditures are classified by operating and nonoperating.

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

Interfund Transfers

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

F. Budget and Budgetary Accounting

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

1. Prior to September 1, the City Clerk prepares a proposed budget and submits this budget to the Mayor and the Board of Aldermen no later than 15 days prior to the beginning of each fiscal year. The proposed budget for the year ended September 30, 2020 was submitted to the City Council on September 9, 2019.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for 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.
3. 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. The proposed budget for the year ended September 30, 2020 was adopted as Ordinance No. 2014 on September 9, 2019.
4. Budgetary amendments involving the transfer of funds from one department, program, or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen. The budget for the year ended September 30, 2020 was amended on September 14, 2020.
5. All budgetary appropriations lapse at the end of each fiscal year.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

6. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

H. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. The City of Rayne recognizes deferred outflows of resources and deferred inflows of resources that are attributable to its pension plan.

Note 2. Cash and Interest-Bearing Deposits

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

Demand Deposits and Interest Bearing	
Demand Deposits	\$ 4,977,434
Passbook savings, Money	
Market accounts and	
Time Deposits	<u>755,096</u>
Total Bank Balances	<u>\$ 5,732,530</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The City had securities pledged and held by the custodial bank's agent in the name of the City in the amount of \$7,494,976 at September 30, 2020. The City also had \$600,000 of FDIC insurance. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At September 30, 2020 the carrying amount of the City's deposits was \$5,624,013 and the bank balance was \$5,732,530. As of September 30, 2020, the City's total bank balances were fully insured by pledged securities and FDIC.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or the City will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 3 Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City on October 1 and payable on December 31. Billed taxes become delinquent on January 1 of the following year. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Acadia Parish. City property taxes are budgeted in the year billed.

For the year ended September 30, 2020, taxes of 12.10 mills were levied on property with assessed valuations totaling \$34,543,735 and were dedicated as follows:

General corporate purposes	7.10 mills
Youth recreation	5.00 mills

Total taxes levied were \$417,985 according to the Acadia Parish Tax Assessor's tax roll; however, total property taxes for the year ended September 30, 2020 were \$417,183 after some adjustments. There were no ad valorem taxes receivable at September 30, 2020.

Note 4 Receivables

Receivables at September 30, 2020 totaled \$1,404,550 and consist of the following:

	Governmental	Enterprise	
	Funds	Funds	Total
Accounts Receivable		\$ 2,248,984	\$ 2,248,984
Allowance for Uncollectible Amounts		(1,076,532)	(1,076,532)
Franchise Tax	3,538	-	3,538
City Fines	11,673	-	11,673
Video Poker	56,666	-	56,666
Sales Tax	84,797	-	84,797
Property Tax	1,082	-	1,082
State of Louisiana	23,630	-	23,630
Other Receivable	45,392	-	45,392
Total Receivables Per Fund Financials	<u>\$ 226,778</u>	<u>\$ 1,172,452</u>	<u>\$ 1,399,230</u>
Due from Other Governmental Units (Note 5)	<u>\$ (95,035)</u>	<u>\$ -</u>	<u>\$ (95,035)</u>
Total Receivables Per Government-Wide Financials	<u>\$ 131,743</u>	<u>\$ 1,172,452</u>	<u>\$ 1,304,195</u>

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 5

Due from Other Governmental Units

Amounts due from governmental units included in receivables at September 30, 2020 consisted of the following:

Amount due from the State of Louisiana for beer tax revenues earned during fiscal year ending September 30, 2020	\$ 3,887
Amount due from the State of Louisiana for video poker revenues earned during fiscal year ending September 30, 2020	56,666
Amount due from Rayne City Court for fines and supplemental pay for fiscal year ending September 30, 2020	13,889
Amount due from Acadia Parish Police Jury for witness fees earned during fiscal year ending September 30, 2020	850
Amount due from the State of Louisiana Division of Administration for CWF payment #1	9,900
Amount due from the State of Louisiana for prisoner reimbursements for September 30, 2020	<u>9,843</u>
Total due from other governmental units	<u>\$ 95,035</u>

Note 6

Restricted Assets -- Proprietary Fund Type

Restricted assets consisted of the following at September 30, 2020:

Revenue bond reserve account (M&O)	\$ 100,901
Revenue bond reserve accounts (SM)	1,039
Customers' deposits (M&O)	<u>478,154</u>
Total restricted assets	<u>\$ 580,094</u>

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 7

Capital Assets

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

	<u>10/1/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 09/30/2020</u>
Governmental activities:				
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Other capital assets:				
Buildings	2,379,368	-	-	2,379,368
Improvement other than buildings	1,703,405	38,597	(13,363)	1,728,639
Infrastructure	8,924,897	217,914	-	9,142,811
Equipment, furniture and fixtures	1,154,404	91,529	(95,949)	1,149,984
Vehicles	600,482	14,233	(9,736)	604,979
Total	<u>\$ 14,762,556</u>	<u>\$ 362,273</u>	<u>\$ (119,048)</u>	<u>\$ 15,005,781</u>
Less accumulated depreciation				
Buildings	\$ 1,505,254	\$ 57,225	\$ (7,062)	\$ 1,555,417
Improvements other than buildings	1,225,462	50,452	(523)	1,275,391
Infrastructure	4,664,952	195,272	-	4,860,224
Equipment, furniture and fixtures	822,618	45,206	(93,070)	774,754
Vehicles	476,326	32,075	(7,957)	500,444
Total accumulated depreciation	<u>\$ 8,694,612</u>	<u>\$ 380,230</u>	<u>\$ (108,612)</u>	<u>\$ 8,966,230</u>
Governmental activities, Capital assets, net	<u>\$ 6,067,944</u>	<u>\$ (17,957)</u>	<u>\$ (10,436)</u>	<u>\$ 6,039,551</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 33,901
Public Safety	45,669
Public Works	194,512
Cultural & recreation	106,148
Community development	-
Total depreciation expense	<u>380,230</u>

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

	Balance 10/1/2020	Additions / Reclass	Deletions / Reclass	Balance 9/30/2020
Business-Type activities:				
Capital assets not being depreciated:				
Land – CW&L	\$ 68,470	\$ -	\$ -	\$ 68,470
Land – Sewer	500,000	-	-	500,000
Construction in progress	-	-	-	-
Other capital assets:				
Buildings – CW&L	\$ 3,127,703	\$ 66,434	\$ -	\$ 3,194,137
Electric System & Imp	4,276,353	-	-	4,276,353
High Demand Plant facility	2,313,866	-	-	2,313,866
Water System & Imp	4,779,913	38,744	-	4,818,657
Machinery & Equip – CW&L	1,578,187	42,986	-	1,621,173
Sewer System	11,644,936	-	-	11,644,936
Machinery & Equip - Sewer	273,114	-	(104,862)	168,252
Totals	<u>\$28,562,542</u>	<u>\$ 148,164</u>	<u>\$ (104,862)</u>	<u>\$28,605,844</u>
Less accumulated depreciation				
Building – CW&L	\$ 1,760,458	\$ 67,246	\$ -	\$ 1,827,704
Electric System & Imp	3,998,645	31,494	-	4,030,139
High Demand Plant facility	2,220,790	9,536	-	2,230,326
Water System & Imp	2,856,330	100,715	-	2,957,045
Machinery & Equip – CW&L	1,277,594	70,179	-	1,347,773
Sewer System	7,584,413	261,641	-	7,846,054
Machinery & Equip - Sewer	226,887	8,339	(104,862)	130,364
	<u>\$19,925,117</u>	<u>\$ 549,150</u>	<u>\$ (104,862)</u>	<u>\$20,369,405</u>
Business-type activities,				
Capital assets, net				<u>\$ 8,236,439</u>

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

Utility	\$279,173
Sewer	269,977
Total depreciation expense	<u>\$549,150</u>

In May 1979, the City terminated its electricity generating operations. The City now purchases the majority of all electricity used from Louisiana Energy and Power Authority. The City is maintaining the engines and generators to be used only in an emergency and in high demand situations.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 8 Accounts and Other Payables

The accounts and other payables consisted of the following at September 30, 2020:

	Governmental Activities	Business-type Activities	Total
Accounts payable	\$ 240,684	\$ 850,068	\$ 1,090,752
Other payables	215,109	105,037	320,146
Totals	<u>\$ 455,793</u>	<u>\$ 955,105</u>	<u>\$ 1,410,898</u>

Note 9 Changes in Long-Term Debt

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

	Series 2011	Series 2018	Series 2020	Total
Bonds Payable at 9/30/19	\$ 228,000	\$ 345,155	\$ -	\$ 573,155
Additions	-	68,562	180,678	249,240
Reductions	112,000	18,000	-	130,000
Totals	<u>\$ 116,000</u>	<u>\$ 395,717</u>	<u>\$ 180,678</u>	<u>\$ 692,395</u>

Long-term debt payable at September 30, 2020 is comprised of the following individual issues:

Revenue Bonds: (All issues being serviced by the Enterprise Funds)

\$1,000,000 Certificates of Indebtedness, Series 2011, due in annual installments of \$85,000 to \$ 116,000 through March 1, 2021; interest at 3.020% (to be retired by excess revenues)	\$116,000
Less current portion	116,000
Long-term bond payable	<u>\$ -</u>
\$1,000,000 Certificates of Indebtedness, Series 2018, due in annual installments of \$49,000 to \$ 55,000 through March 1, 2039; interest at .45% (to be retired by excess revenues)	\$395,717
Less current portion	46,000
Long-term bond payable	<u>\$ 349,717</u>

Interest paid for the year ended September 30, 2020 was \$1,743.

The City is still drawing on this bond issue as of September 30, 2020.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

\$2,600,000 Certificates of Indebtedness, Series 2020, due in annual installments of \$102,000 to \$ 162,000 through March 1, 2041; interest at 1.95% (to be retired by excess revenues)

\$180,678

There was no interest paid for the year ended September 30, 2020.

The City incurred debt and issued \$2,600,000 taxable utility revenue bonds, series 2020 for the purpose of construction and acquiring improvements and extensions to the water portion of the system. The City is still drawing on bond issue and as of September 30, 2020 no principal payments were due.

The bonds are due as follows:

Year Ending September 30	Series 2011		Series 2018	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments
2021	\$ 116,000	\$ 1,752	\$ 46,000	\$ 3,982
2022	-	-	\$ 47,000	\$ 3,773
2023	-	-	\$ 47,000	\$ 3,562
2024	-	-	\$ 48,000	\$ 3,348
2025	-	-	\$ 48,000	\$ 3,132
2026-2041	-	-	\$ 159,717	\$ 8,078
	<u>\$ 116,000</u>	<u>\$ 1,752</u>	<u>\$ 395,717</u>	<u>\$ 25,875</u>

Note 11 Post-Employment Benefits (Also See Note 19)

The City of Rayne handles Cobra participants by notifying Risk Management, Inc. in writing of the Cobra qualifying event. The RMI notifies the qualified beneficiary of his Cobra rights in application form. The City is responsible for Cobra payments and termination for non-payment. The qualified beneficiary is responsible for the signed application to be returned. Upon payment to the City and return of the signed application, qualified beneficiary is re-instated by RMI and tracked until Cobra benefits have been fulfilled. The City adopted GASB Statement No. 75 for the fiscal year beginning October 1, 2017.

Note 12 Police Supplemental Pay

The City received state supplemental pay for qualified police officers totaling \$122,567. The supplemental pay was forwarded directly to the officers.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 13 Segment Information for the Enterprise Fund

The City of Rayne maintains two enterprise funds, which provide utility and sewerage services. Segment information for the year ended September 30, 2020 was as follows:

	Utilities	Sewerage	Total Enterprise Fund
Charges for services and other operating revenues	<u>\$ 9,927,560</u>	<u>\$ 855,823</u>	<u>\$ 10,783,383</u>
Operating expenses			
Depreciation	\$ 279,173	\$ 269,977	\$ 549,150
Other expenses	<u>8,325,913</u>	<u>489,772</u>	<u>8,815,685</u>
Total operating expenses	<u>\$ 8,605,086</u>	<u>\$ 759,749</u>	<u>\$ 9,364,835</u>
Operating income (loss)	<u>\$ 1,322,474</u>	<u>\$ 96,074</u>	<u>\$ 1,418,548</u>

Note 14 Compensation of Town Officials

A detail of the annual compensation paid to the Mayor and Board of Alderman for the year ended September 30, 2020 follows:

Charles "Chuck" Robichaux, Mayor	\$ 76,000
Lendell "Pete" Babineaux, Mayor pro-tem	8,088
Calise Doucet	7,200
Curtrese Minix	7,728
Kenneth Guidry	7,200
James "Jimmy" Fontenot	7,200
	<u>\$ 113,416</u>

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 15 Interfund Transactions

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental Funds		
General Fund	\$ 23,000	\$ 4,495
Unemployment Compensation	\$ 4,495	
Proprietary Funds		
Utility Fund	-	62,460
Sewer Fund	39,460	-
	<u>\$ 66,955</u>	<u>\$ 66,955</u>

The City does expect these amounts to be repaid within one year. Interfund transactions were for reimbursement of expenses paid or to transfer excess funds for general purpose use.

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

	<u>Interfund Transfers in</u>	<u>Interfund Transfers out</u>
Major Funds		
Governmental Funds		
General Fund	\$ 3,240,463	\$ -
Sales Tax	-	2,225,476
Other Non-major governmental funds	81,641	180
Proprietary Fund		
Utility Fund	-	1,007,152
Sewer Fund	-	89,296
Total	<u>\$ 3,322,104</u>	<u>\$ 3,322,104</u>

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

There were no individual funds that reported a deficit fund balance at September 30, 2020.

Notes to the Basic Financial Statements

Note 16 Leases

A. Operating leases

The City is engaged in various operating leases for the use of machinery and equipment. Total rent expenditures for these leases totaled \$7,983 for the year ended September 30, 2019. The future minimum rental payments for these leases are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Amount</u>
2020	\$ 7,690
2021	7,690
2022	2,563
2023	-
2024	-
Total	<u>\$ 17,943</u>

B. Capital Lease

In November 2016, the City entered into a lease agreement as lessee for financing the acquisition of a 2 way radios. The total cost of the radios was \$51,170, of this amount, \$16,962 was financed through Marlin Leasing Corporation. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. The lease was paid off in October of 2018.

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Original Cost</u>	<u>Current Year Depreciation</u>	<u>Accumulated Depreciation</u>
2 Way Radios			
General Fund	\$ 23,463	\$ 2,346	\$ 8,603
Enterprise Fund - Water	10,419	1,042	3,994
Enterprise Fund - Electric	13,770	1,377	5,278
Sewer Fund	3,518	352	1,349
Total	<u>\$ 51,170</u>	<u>\$ 5,117</u>	<u>\$ 19,224</u>

Note 17 Contingencies

As of September 30, 2020 there is no pending or threatened litigation that represents a contingent liability for the City of Rayne.

Note 18 Pension Plan

Plan Descriptions

Substantially all employees of the City of Rayne are members of the following statewide retirement systems: Municipal Employees' Retirement System of Louisiana (MERS), Municipal Police Employees' Retirement System of Louisiana (MPERS), and Louisiana State Employees' Retirement System (LASERS). These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

Municipal Employees' Retirement System of Louisiana (MERS)

Employees of the City are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:1731 to provide retirement, disability and survivor benefits to employees of all incorporated villages, towns and cities throughout the State of Louisiana. MERS is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City are members of Plan B. The system issues a publicly available financial report that may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Municipal Employees' Retirement System of Louisiana (MPERS)

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 11:2211-11:2233. 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.

Louisiana State Employees' Retirement System (LASERS)

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

Benefits Provided

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

MERS

Any member of Plan B, who was hired before January 1, 2013 can retire providing the member meets one of the following criteria:

- a. Any age with thirty (30) or more years of creditable service.
- b. Age 60 with a minimum of ten (10) years of creditable service.
- c. Any age with ten (10) years of creditable service eligible for disability benefits.
- d. Survivor's benefits require five (5) years creditable service at death of member.

Eligibility for Retirement for Plan B Tier 2 members hired on or after January 1, 2013 is as follows:

- a. Age 67 with seven (7) or more years of creditable service.
- b. Age 62 with ten (10) or more years of creditable service.
- c. Age 55 with thirty (30) or more years of creditable service.
- d. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused sick leave.

Notes to the Basic Financial Statements

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two 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.

MPERS*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.

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.

LASERS

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. The rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

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

Notes to the Basic Financial Statements

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

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

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 Retirement Benefits**MERS**

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan 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 MERS has been terminated for at least one full year.

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

MPERS

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

Notes to the Basic Financial Statements

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 and earn interest at the money market rate.

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 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.

LASERS

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 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**MERS**

For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten 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 B shall be paid disability benefits 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 age.

LASERS

Generally, 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

Notes to the Basic Financial Statements

reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Survivor's Benefits

MERS

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

MPERS

Membership Prior to January 1, 2013

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 per month, whichever is greater.

Membership Commencing January 1, 2013

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 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.

LASERS

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.

Permanent Benefit Increases/Cost-of-Living Adjustments**MERS**

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.

MPERS

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.

LASERS

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS 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.

Deferred Benefits**MERS**

Plan A provides 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.

Contributions**MERS**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending/ended June 30, 2021 and 2020, the actual employer contribution rate was 15.50% and 14.00%, respectively, for Plan B. For the year ending/ended June 30, 2021 and 2020, the actuarially determined employer contribution rate was 15.34% for Plan B. The actuarially determined rate is the rate calculated to provide employer contributions that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the City were \$304,063 for the year ended September 30, 2020.

In accordance with state statute, MERS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from nonemployer contributing entities, but are not considered special funding situations.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

MPERS

Contribution requirements of active employees are governed by ACT 189 of 1973 and amended by LA RS 11:2211-11:2233 and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to MPERS by participating employers. 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 ending/ended June 30, 2021 and 2020, the actual employer contribution rate was 33.75% and 32.50%, respectively. For the year ending/ended June 30, 2021 and 2020, the actuarially determined employer contribution rate was 30.86% and 33.69%, respectively. The actuarially determined rate is the rate calculated to provide employer contributions that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contributions to the pension plan from the City were \$321,581 for the year ended September 30, 2020.

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 were recognized as revenue during the year ended September 30, 2020, and excluded from pension expense.

LASERS

Contribution requirements of active employees are governed by Title 11 of the Louisiana Revised Statutes and may be amended by the Louisiana Legislature. Employee contributions are deducted from a member's salary and remitted to LASERS by participating employers along with the employer portion of the contribution.

The rates in effect during the year ending/ended June 30, 2021 and 2020 related to the City were as follows:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate 2020	Employer Contribution Rate 2021
Judges hired before 1/1/11	Closed	11.5%	42.4%	42.5%

The City's contractually required composite contribution rate for the period from October 1, 2019 to June 30, 2020 was 42.4%, and for the period from July 1, 2020 to September 30, 2020 was 42.5%, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the City were \$10,182 for the year ended September 30, 2020.

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

The net pension liabilities were 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 for MERS, MPERS and LASERS was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

The following table reflects the City's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2020 and the change compared to the June 30, 2019 proportion.

	Net Pension Liability at June 30, 2020	Proportion at June 30, 2020	Increase (Decrease) to June 30, 2019 Proportion
MERS	\$ 2,550,047	2.813919%	0.160981%
MPERS	2,964,431	0.320745%	0.049065%
LASERS	92,549	0.001119%	-0.000041%
	<u>\$ 5,607,027</u>		

The following table reflects the City's recognized pension expense plus the City's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended September 30, 2020.

	Pension Expense	Amortization	Total
MERS	\$ 501,540	\$ (309,348)	\$ 192,192
MPERS	598,221	(322,326)	275,895
LASERS	11,925	(13,643)	(1,718)
	<u>\$ 1,111,686</u>	<u>\$ (645,317)</u>	<u>\$ 466,369</u>

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>MERS</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 42,907
Changes in assumptions	79,030	-
Net difference between projected and actual earnings on pension plan investments	276,845	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	82,463	34,876
Employer contributions subsequent to the measurement date	75,177	-
Total MERS	<u>\$ 513,515</u>	<u>\$ 77,783</u>

<u>MPERS</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 116,767
Changes in assumptions	70,442	73,158
Net difference between projected and actual earnings on pension plan investments	355,643	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	422,603	754
Employer contributions subsequent to the measurement date	77,880	-
Total MPERS	<u>\$ 926,568</u>	<u>\$ 190,679</u>

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

LASERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 889
Changes in assumptions	269	-
Net difference between projected and actual earnings on pension plan investments	13,529	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	505	1,415
Employer contributions subsequent to the measurement date	2,354	-
Total LASERS	\$ 16,684	\$ 2,304

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
MERS	\$ 513,515	\$ 77,783
MPERS	926,568	190,679
LASERS	16,684	2,304
	\$ 1,456,767	\$ 270,766

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending September 30, 2021.

The following table lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
MERS	\$ 75,177
MPERS	77,880
LASERS	2,354
	\$ 155,411

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

Year ending September 30:	MERS	MPERS	LASERS	Total
2021	\$ 136,233	\$ 184,831	\$ 813	\$ 321,877
2022	120,699	238,192	3,901	362,792
2023	63,073	167,447	4,181	234,701
2024	40,550	67,539	3,131	111,220
	\$ 360,555	\$ 658,009	\$ 12,026	\$ 1,030,590

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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

	MERS	MPERS	LASERS
Valuation Date	June 30, 2020	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Approach			
Actuarial Assumptions:			
Expected Remaining Service Lives	3 years	4 years	2 years
Investment Rate of Return	6.95%, net pension plan investment expense, including inflation.	6.95%, net of investment expense	7.55% per annum, net of investment expenses
Inflation Rate	2.5%	2.50%	2.3% per annum.
Salary Increases	4.9% - 7.4%	4.70% - 12.30%	2.6% - 5.1%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.
Mortality	<p>Annuitant and beneficiary mortality - PubG 2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.</p> <p>Employee mortality - PubG 2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.</p> <p>Disabled lives mortality - PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.</p>	<p>For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019</p>	<p>Non-disabled members - The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018.</p> <p>Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

scale was used.

Termination, Disability, and Retirement

Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.

Termination, disability, and retirement assumptions were projected based on a five-year (2015-2019) experience study of the System's members.

Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.

The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2020:

Asset Class	Target Allocation			Long-Term Expected Portfolio Real Rate of Return		
	MERS	MPERS	LASERS	MERS	MPERS	LASERS
Cash	-	-	-	-	-	(0.59)%
Domestic equity	53.0%	48.5%	23.0%	2.33%	3.08%	4.79%
International equity	-	-	32.0%	-	-	5.83%
Domestic fixed income	38.0%	33.5%	6.0%	1.67%	0.54%	1.76%
International fixed income	-	-	10.0%	-	-	3.98%
Alternative investments	9.0%	18.0%	22.0%	0.40%	1.02%	6.69%
Risk parity	-	-	7.0%	-	-	4.20%
Real assets	-	-	-	-	-	-
Total	100.0%	100.0%	100.0%	4.40%	4.64%	5.81%
Inflation				2.60%	2.55%	
Expected Arithmetic Nominal Return				7.00%	7.19%	

n/a – amount not provided by Retirement System

Discount Rate

The discount rates used to measure the total pension liability for MERS, MPERS, and LASERS were 6.95%, 6.95%, and 7.55%, respectively for the year ended June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current 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 of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the Net Pension Liability using the discount rate of each pension plan, as well as what the City's proportionate share of the 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:

	1.0% Decrease	Current Discount Rate	1.0% Increase
MERS			
Discount rate	5.95%	6.95%	7.95%
Share of NPL	\$ 3,394,588	\$ 2,550,047	\$ 1,835,449
MPERS			
Discount rate	5.950%	6.950%	7.950%
Share of NPL	\$ 4,164,710	\$ 2,964,431	\$ 1,961,048

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

LASERS

Discount rate	6.55%	7.55%	8.55%
Share of NPL	\$ 113,728	\$ 92,549	\$ 74,576

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The City recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended September 30, 2020, the City recognized revenue as a result of support received from non-employer contributing entities of \$78,252 and \$69,913 for its participation in MERS and MPERS, respectively. LASERS does not receive support from non-employer contributing entities and, as a result, no revenue was recorded for LASERS for the year ended September 30, 2020.

Pension Plans Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued financial reports for MERS, MPERS and LASERS and can be obtained on the pension plans' respective websites or on the Louisiana Legislative Auditor's website: www.la.gov.

Payables to the Pension Plan

As of September 30, 2020, the City had payables due to the pension plans totaling \$66,479. Payables are the City's legally required contributions to the pension plans. Outstanding balances are applied the City's required monthly contributions. The balance due to each of the pension plans is as follows:

	<u>Payables</u>
MERS	\$ 32,593
MPERS	33,886
	<u>\$ 66,479</u>

Note 19

Post-Employment Benefits

Plan Description:

The City of Rayne provides medical and dental benefits to eligible retirees. The City pays 64% of the current monthly contribution rate for elected coverages for those retiring on or after January 1, 2017. For those retiring before that date the City will pay 80% or 65% of the current monthly rate for elected coverages depending on the date of retirement. The retiree is required to contribute the balance of the monthly contribution. All active employees who retire directly from the City and meet the eligibility criteria may participate. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 to pay related benefits.

Benefits Provided:

Participants are eligible for retirement under the covered retirement plan and with at least 20 years of service. Retirees retiring prior to January 1, 2017 contribute either 35% or 20% of the monthly cost of medical/dental coverage depending on the date of retirement. Retirees retiring on or after this date contribute 36% of the monthly cost of medical/dental coverage. Coverage continues for the life of the retiree as long as required contributions are made. Pre-age 65 medical benefits are provided through a PPO plan or a buy-up plan, both administered by Blue Cross Blue Shield. For age 65 and over benefits are provided through a Medicare supplement plan that includes an Rx benefit. Dental benefits are also provided.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

During the year ended September 30, 2018, the City adopted the requirements of GASB State No. 75, recognizing the cost of postemployment benefits in the year when the employee services are received and recognizing the liability for OPEB obligations, known as the net OPEB liability, on the statement of net position. Changed in the net OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

Total OPEB Liability-

The City's total OPEB liability of \$8,457,241 was measured as of September 30, 2020 and was determined by an actuarial valuation as of September 30, 2020.

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

Inflation	2.5%
Salary increases, including inflation	3.50%
Discount rate, net of OPEB plan investment expense, including inflation	2.25%
Healthcare cost trends, flat annual	
Medical	4.50%
Dental	2.50%

The discount rate was selected by reviewing the recent published Bond Buyer GO-20 bond index. This is one of the indices acceptable under GASB 75. This index is published weekly. We selected 2.25% as this discount rate for this valuation.

The RP-2000 Table without projection with 50%/50% unisex blend has been used.

Changes in Total OPEB Liability:

Balance at September 30, 2019	<u>\$ 7,198,586</u>
Changes for the year:	
Service Cost	213,842
Interest	297,979
Differences between expected and actual experience	(416,109)
Changes in assumptions	1,309,026
Benefit payments and net transfers	<u>(146,083)</u>
Net changes	<u>1,258,655</u>
Balance due at September 30, 2020	<u>\$ 8,457,241</u>

Sensitivity of the total OPEB liability to changes in the discount rate- The following represents the total OPEB liability to the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current discount rate:

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

	1.0% Decrease <u>1.25%</u>	Current Discount Rate <u>2.25%</u>	1.0% Increase <u>3.25%</u>
Total OPEB Liability	\$ 10,698,855	\$ 8,457,241	\$ 6,838,719

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates- The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.50%) of 1-percentage point higher (5.50%) than the current healthcare trend rates:

	1.0% Decrease <u>3.50%</u>	Current Discount Rate <u>4.50%</u>	1.0% Increase <u>5.50%</u>
Total OPEB Liability	\$ 6,689,259	\$ 8,457,241	\$ 10,932,042

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$619,143. At September 30, 2020, the City reported deferred inflows of resources related to OPEB for the differences between expected and actual experience.

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

Year Ended June 30,	
2021	\$107,322
2022	\$107,322
2023	\$107,322
2024	\$107,322
2025	\$107,322
2026+	\$248,985

Actuarial Value of Plan Assets- There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate- Termination rates from the Louisiana Municipal Employees Retirement System ("MERS") actuarial valuation report were used for non-public safety employees and termination rates from the Louisiana Municipal Police Employees Retirement System ("MPERS") actuarial valuation report were used for police employees.

Investment Return Assumption (Discount Rate)- GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 2.25% annual investment return has been used in this valuation.

Mortality Rate- RPH-2014 Total Table with Projection MP-2019 was used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits- The "value of benefits" was assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid.

Inflation Rate- Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases- This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases- The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

At September 30, 2020, the City did not have any amounts owed to the OPEB plan.

Note 20

Subsequent Events

On October 14, 2019, a resolution was passed authorizing the mayor to sign a cooperative agreement between the State of Louisiana and the City of Rayne in order to receive funds from the State of Louisiana for the Martin Luther King Community Center Improvement Project.

In January of 2020, the World Health Organization (WHO) announced a global health emergency due to a new strain of coronavirus originating in Wuhan, China, and the risk to the international community as the virus spread globally beyond its point of origination. In March of 2020, the WHO classified the COVID-19 outbreak a pandemic, based on the rapid increase in infection rates globally. As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration of the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time. Subsequent events have been evaluated through June 24, 2021. This date represents the date the financial statements were available to be issued.

Note 22

Deficit in Net Position

The City has a deficit in unrestricted net position in Governmental Activities of (\$9,829,782) caused by the net pension liability of \$4,180,195 and the net OPEB obligation of \$8,457,241.

Required Supplemental Information

CITY OF RAYNE, LOUISIANA

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 For the Year Ended September 30, 2020

	2020			Variance-- Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes--				
Ad valorem	\$ 240,416	\$ 244,666	\$ 244,796	130
Franchise	89,512	90,163	86,738	(3,425)
	<u>\$ 329,928</u>	<u>\$ 334,829</u>	<u>\$ 331,534</u>	<u>\$ (3,295)</u>
Intergovernmental revenue--				
Beer tax	\$ 13,690	\$ 15,997	\$ 14,227	(1,770)
Grants				
Federal	-	-	-	-
State	24,329	6,610	40,796	34,186
Housing authority payment in lieu of taxes	64,994	64,994	72,201	7,207
Video poker revenue	301,518	280,547	321,496	40,949
	<u>\$ 404,531</u>	<u>\$ 368,148</u>	<u>\$ 448,720</u>	<u>\$ 80,572</u>
Licenses and permits--				
Occupational licenses	\$ 311,725	\$ 298,790	\$ 311,504	\$ 12,714
Permits	16,575	11,117	14,682	3,565
	<u>\$ 328,300</u>	<u>\$ 309,907</u>	<u>\$ 326,186</u>	<u>\$ 16,279</u>
Charges for services				
Community center rent	\$ 64,195	\$ 25,370	\$ 27,215	\$ 1,845
Fines and forfeits	<u>\$ 105,123</u>	<u>\$ 128,362</u>	<u>\$ 169,785</u>	<u>\$ 41,423</u>
Interest on investments	<u>\$ 3,031</u>	<u>\$ 1,009</u>	<u>\$ 1,417</u>	<u>\$ 408</u>
Miscellaneous revenue--				
Museum Income	\$ 100	\$ -	\$ -	\$ -
Police Jury	16,000	-	-	-
Sale of land	-	-	3,445	3,445
Sale of abandoned equipment	1,798	1,143	2,056	913
Prisoner reimbursements	101,309	101,458	122,908	21,450
Other	40,854	67,778	95,312	27,534
	<u>\$ 160,061</u>	<u>\$ 170,379</u>	<u>\$ 223,721</u>	<u>\$ 53,342</u>
Total Revenues	<u>\$ 1,395,169</u>	<u>\$ 1,338,004</u>	<u>\$ 1,528,578</u>	<u>\$ 190,574</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2020

	2020			Variance-- Positive (Negative)
	Budget		Actual	
	Original	Final		
Expenditures:				
Current--				
General government	\$ 1,481,113	\$ 1,503,463	\$ 1,519,505	\$ (16,042)
Public safety	2,161,554	2,237,068	2,231,425	5,643
Public works	1,291,016	1,088,266	1,106,946	(18,680)
Public works - Storm Related Expenses	-	-	-	-
Culture and recreation	363,159	359,531	355,312	4,219
Total expenditures	\$ 5,296,842	\$ 5,188,328	\$ 5,213,188	\$ (24,860)
Excess (deficiency) of revenues over expenditures	\$ (3,901,673)	\$ (3,850,324)	\$ (3,684,610)	\$ 165,714
Other sources (uses):				
Operating transfers in--				
Sales tax fund	\$ 2,180,000	\$ 2,180,000	\$ 2,180,476	\$ 476
Utility	1,000,000	1,000,000	1,007,151	7,151
Sewer maintenance	-	-	52,656	52,656
Youth recreation	-	-	180	180
Unemployment compensation	-	-	-	-
Capital Lease	-	-	-	-
Operating transfers out--				
Certificate of Indebtedness				
Series 2003	-	-	-	-
Capital Lease	-	-	-	-
LCDBG	-	-	-	-
Total other sources	\$ 3,180,000	\$ 3,180,000	\$ 3,240,463	\$ 60,463
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (721,673)	\$ (670,324)	\$ (444,147)	\$ 226,177
Fund balance, beginning of year	822,114	436,614	852,689	416,075
Prior period adjustment	-	-	22,325	-
Fund balance, end of year	\$ 100,441	\$ (233,710)	\$ 430,867	\$ 642,252

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
SPECIAL REVENUE FUNDS
SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2020

	2020			Variance-- Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes--				
Sales tax collections	\$ 2,194,009	\$ 2,172,645	\$ 2,409,014	\$ 236,369
Less fees and adjustments	(52,957)	(30,140)	(36,186)	(6,046)
Interest on investments	816	1,199	948	(251)
Miscellaneous income	-	-	-	-
Total revenues	<u>\$ 2,141,868</u>	<u>\$ 2,143,704</u>	<u>\$ 2,373,776</u>	<u>\$ 230,072</u>
Expenditures:				
Current--				
General government--				
Salaries	\$ 39,248	\$ 41,763	\$ 37,433	\$ 4,330
Insurance	16,814	13,224	14,355	(1,131)
Payroll taxes	2,647	2,606	2,781	(175)
Administrative charge-- retirement system	5,335	4,915	5,182	(267)
Miscellaneous	1,444	810	1,248	(438)
Total expenditures	<u>\$ 65,488</u>	<u>\$ 63,318</u>	<u>\$ 60,999</u>	<u>\$ 2,319</u>
Excess of revenues over expenditures	<u>\$ 2,076,380</u>	<u>\$ 2,080,386</u>	<u>\$ 2,312,777</u>	<u>\$ 232,391</u>
Other sources (uses):				
Operating transfer (out)--				
General Fund	\$ (2,180,000)	\$ (2,180,000)	\$ (2,180,476)	\$ 476
Youth Recreation	(45,000)	(35,000)	(45,000)	10,000
Section 8	-	(3,000)	-	(3,000)
Veteran's Park	-	-	-	-
Total other sources (uses)	<u>\$ (2,225,000)</u>	<u>\$ (2,218,000)</u>	<u>\$ (2,225,476)</u>	<u>\$ 7,476</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (148,620)</u>	<u>\$ (137,614)</u>	<u>\$ 87,301</u>	<u>\$ 224,915</u>
Fund balance, beginning of year	<u>1,023,510</u>	<u>1,012,881</u>	<u>1,297,021</u>	<u>-</u>
Fund balance, end of year	<u>\$ 874,890</u>	<u>\$ 875,267</u>	<u>\$ 1,384,322</u>	<u>\$ 224,915</u>

The following notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Schedule of Employer OPEB Contributions
For the year ended September 30, 2020

Year ended September 30,	Contractually Determined Contribution	Contributions in Relation to Contractually Determined Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Employee Payroll
2020	\$ 146,083	\$ 146,083	\$ -	\$ 2,109,953	6.9%
2019	\$ 136,092	\$ 136,092	\$ -	\$ 2,064,698	6.6%
2018	\$ 136,092	\$ 136,092	\$ -	\$ 2,064,698	6.6%

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

See accompanying independent auditor's report. The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Schedule of Changes in Net OPEB Liability and Related Ratios
For the year ended September 30, 2020

Total OPEB Liability	2018	2019	2020
Service cost	\$ 205,499	\$ 213,842	\$ 213,842
Interest	269,745	275,171	297,979
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	(416,109)
Changes of assumptions	-	-	1,309,026
Benefit payments	(136,092)	(136,092)	(146,083)
Net changes	\$ 339,152	\$ 352,921	\$ 1,258,655
Total OPEB liability- beginning	6,506,513	6,845,665	7,198,586
Total OPEB liability- ending	6,845,665	7,198,586	8,457,241
Plan Fiduciary Net Position	-	-	-
Net OPEB Liability	\$ 6,845,665	\$ 7,198,586	\$ 8,457,241
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%
Covered payroll	\$ 2,064,698	\$ 2,064,698	\$ 2,109,953
Net OPEB liability as a percentage of covered payroll	331.56%	348.65%	400.83%

This schedule is intended to show information for 10 years. Since this is the second year of the implementation of GASB 75, only two years are available for the required 10-year schedule.

See accompanying independent auditor's report. The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Schedule of Employer's Proportionate Share of Net Pension Liability
 Required Supplementary Information Under GASB Statement No. 68
 For the year ended September 30, 2020

Fiscal Year Ended June 30	Agency's Proportion of the Net Pension Liability (Asset)	Agency's Proportionate Share of the Net Pension Liability	Agency's Covered Payroll	Agency's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Louisiana State Employees' Retirement System (LASERS)					
2020	.001119%	\$ 92,549	\$ 24,923	371.3%	58.0%
2019	.001160%	\$ 84,041	\$ 24,000	350.2%	62.9%
2018	.001211%	\$ 82,589	\$ 24,000	344.1%	64.3%
2017	.00125%	\$ 88,478	\$ 24,000	368.7%	62.5%
2016	.00125%	\$ 98,235	\$ 24,000	409.3%	57.7%
2015	.00120%	\$ 81,278	\$ 24,000	338.7%	62.70%
2014	.00133%	\$ 83,414	\$ 24,000	347.6%	65.0%
Louisiana Municipal Employees' Retirement System (MERS)					
2020	2.813919%	\$ 2,550,047	\$ 2,180,704	116.9%	66.3%
2019	2.652938%	\$ 2,320,825	\$ 2,028,080	114.4%	66.1%
2018	2.788250%	\$ 2,358,390	\$ 2,066,308	114.1%	63.9%
2017	2.67062%	\$ 2,310,706	\$ 1,942,256	119.0%	63.5%
2016	2.64357%	\$ 2,191,281	\$ 1,895,389	115.6%	62.10%
2015	2.64268%	\$ 1,796,089	\$ 1,833,663	98.0%	66.20%
2014	2.54332%	\$ 1,194,079	\$ 1,586,161	75.3%	76.90%
Louisiana Municipal Police Employees' Retirement System (MPERS)					
2020	.320745%	\$ 2,964,431	\$ 990,693	299.2%	70.9%
2019	.271680%	\$ 2,467,309	\$ 848,428	290.8%	71.0%
2018	.247843	\$ 2,095,280	\$ 731,418	286.5%	71.9%
2017	.23480%	\$ 2,049,903	\$ 703,644	291.3%	63.5%
2016	.26214%	\$ 2,457,000	\$ 691,338	355.4%	66%
2015	.26844%	\$ 2,102,915	\$ 673,085	312.4%	70.70%
2014	.26704%	\$ 1,670,624	\$ 622,573	268.3%	75.10%

* Amounts presented were determined as of the measurement date (fiscal year ended June 30).

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

See Notes to this schedule on Page 59

See accompanying independent auditor's report. The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
Schedule of Employer Contributions
Required Supplementary Information Under GASB Statement No. 68
For the year ended September 30, 2020

Fiscal Year ended September 30,	Contributions in Relation to				Contributions as a % of Covered Payroll
	Statutorily Required Contribution	Statutorily Required Contribution	Contribution Deficiency (Excess)	Agency's Covered Payroll	
Louisiana State Employees' Retirement System (LASERS)					
2020	\$ 10,182	\$ 10,182	\$ -	\$ 24,000	42.4%
2019	\$ 9,773	\$ 9,773	\$ -	\$ 24,000	40.7%
2018	\$ 9,624	\$ 9,624	\$ -	\$ 24,000	40.1%
2017	\$ 9,120	\$ 9,120	\$ -	\$ 24,000	38.0%
2016	\$ 9,137	\$ 9,137	\$ -	\$ 24,000	38.1%
2015	\$ 9,740	\$ 9,740	\$ -	\$ 24,000	40.6%
2014	\$ 9,383	\$ 9,383	\$ -	\$ 24,923	37.6%
Louisiana Municipal Employees' Retirement System (MERS)					
2020	\$ 304,063	\$ 304,063	\$ -	\$ 2,119,917	14.3%
2019	\$ 284,160	\$ 284,160	\$ -	\$ 2,039,635	13.9%
2018	\$ 277,840	\$ 277,840	\$ -	\$ 2,066,106	13.4%
2017	\$ 208,622	\$ 208,622	\$ -	\$ 1,942,256	10.7%
2016	\$ 186,854	\$ 186,854	\$ -	\$ 1,895,389	9.9%
2015	\$ 176,266	\$ 176,266	\$ -	\$ 1,855,436	9.5%
2014	\$ 161,129	\$ 161,129	\$ -	\$ 1,696,091	9.5%
Louisiana Municipal Police Employees' Retirement System (MPERS)					
2020	\$ 321,581	\$ 321,581	\$ -	\$ 980,604	32.8%
2019	\$ 381,482	\$ 381,482	\$ -	\$ 883,033	43.2%
2018	\$ 235,494	\$ 235,494	\$ -	\$ 755,773	31.2%
2017	\$ 222,552	\$ 222,552	\$ -	\$ 659,413	33.8%
2016	\$ 225,639	\$ 225,639	\$ -	\$ 703,644	32.1%
2015	\$ 224,844	\$ 224,844	\$ -	\$ 681,032	33.0%
2014	\$ 213,901	\$ 213,901	\$ -	\$ 645,803	33.1%

*Amounts presented were determined as of the end of the fiscal year (September 30).

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

See Notes to this schedule on page 59.

See accompanying independent auditor's report. The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Notes to Employer's Proportionate Share of Net Pension Liability and Schedule of Employer Contributions
Required Supplementary Information Under GASB Statement No. 68
For the year ended September 30, 2020

Changes of Benefit Terms

For MERS and MPERS, there were no changes of benefit terms for the years ended June 30, 2020.

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

Changes of Assumptions

For MERS, the investment rate of return was decreased from 7% to 6.95% for the valuation dated June 30, 2020.

The investment rate of return was decreased from 7.275% to 7.00% and the inflation rate was decreased from 2.6% to 2.5%, the average remaining services lives decreased from 4 years to 3 years, and the mortality tables changed to the PUB 2010 tables for the valuation dated June 30, 2019.

The investment rate of return was decreased from 7.4% to 7.275% and the inflation rate was decreased from 2.775% to 2.6% for the valuation dated June 30, 2018.

The investment rate of return was decreased from 7.5% to 7.4% and the inflation rate was decreased from 2.875% to 2.775% for the valuation dated June 30, 2017.

The investment rate of return was decreased from 7.75% to 7.5%, the rate for projected salary increases was decreased from 5.75% to 5.0%, and the rate of inflation was decreased from 3.0% to 2.875% for the valuation dated June 30, 2015.

For MPERS, the investment rate of return was decreased from 7.125% to 6.95%, the mortality tables changed to the PUB 2010 tables, DROP participation period retirement decreased from 100% retirement to 70% at end and 30% work 2 years post-DROP then retire for the valuation dated June 30, 2020.

The investment rate of return was decreased from 7.2% to 7.125% and the inflation rate was decreased from 2.6% to 2.5% for the valuation dated June 30, 2019.

The investment rate of return was decreased from 7.325% to 7.2% and the inflation rate was decreased from 2.7% to 2.6% for the valuation dated June 30, 2018. The investment rate of return was decreased from 7.5% to 7.325% and the inflation rate was decreased from 2.875% to 2.7% for the valuation dated June 30, 2017.

The inflation rate was decreased from 3% to 2.875% and the salary growth rates were changed over various years of service for the valuation dated June 30, 2015.

For LASERS, the investment rate of return was decreased from 7.60% to 7.55%, the inflation rate was decreased from 2.50% to 2.30%, the salary increases changed for the lower range from 2.8%-3.8% to 2.6%-3.6% and the upper range from 5.3%-14.0% to 5.1% to 13.8% for the valuation dated June 30, 2020.

The investment rate of return was decreased from 7.65% to 7.60%, the inflation rate was decreased from 2.75% to 2.50%, the average remaining services lives decreased from 3 years to 2 years, and the mortality table for non-disabled members changed to the RP-2014 Healthy Mortality Table for the valuation dated June 30, 2019.

The investment rate of return was decreased from 7.70% to 7.65% for the valuation dated June 30, 2018.

The investment rate of return was decreased from 7.75% to 7.70% and the inflation rate was decreased from 3.00% to 2.75% for the valuation dated June 30, 2017.

Other Supplemental Schedules

CITY OF RAYNE, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
For the Year Ended September 30, 2020

	2020			Variance-- Positive (Negative)
	Budget		Actual	
	Original	Final		
General government:				
Administration--				
Salaries	\$ 147,159	\$ 144,022	\$ 147,916	\$ (3,894)
Payroll taxes	73,579	19,983	23,554	(3,571)
Group insurance	507,223	487,148	530,052	(42,904)
General insurance	277,847	352,322	355,034	(2,712)
Publishing and recording	16,314	14,449	16,049	(1,600)
Administrative expense--		-		
Retirement system	50,034	10,365	10,903	(538)
Legal and professional	22,576	28,333	32,262	(3,929)
City promotion	8,945	9,788	9,480	308
Convention expense	7,446	2,300	1,917	383
Uniforms	732	-	-	-
Tax roll	5,450	6,696	5,580	1,116
Utilities & telephone	16,996	17,616	18,736	(1,120)
Dues and subscriptions	2,293	3,230	3,542	(312)
City Hall and ground maintenance	12,222	21,693	18,629	3,064
Grass cutting & demolition	-	-	-	-
Supplies & postage	939	9,423	7,852	1,571
Capital outlay	48,000	25,853	-	25,853
Festival expense	193	528	440	88
Miscellaneous	19,819	10,166	9,384	782
Civil engineering	5,735	27,897	21,281	6,616
	<u>\$ 1,223,502</u>	<u>\$ 1,191,812</u>	<u>\$ 1,212,611</u>	<u>\$ (20,799)</u>
City Court--				
Salaries	\$ 142,359	\$ 174,188	172,541	\$ 1,647
Payroll taxes	2,847	10,218	10,583	(365)
Supplies & Postage	6,853	5,902	6,564	(662)
Professional fees	43,624	34,882	30,683	4,199
Building and grounds maintenance	7,009	10,533	9,085	1,448
Rent expense	2,026	4,827	4,729	98
Small equipment expense	981	61	166	(105)
Uniforms	798	-	424	(424)
Retirement	18,507	21,734	25,076	(3,342)
Utilities	17,008	17,821	16,724	1,097
Miscellaneous	15,599	22,250	30,319	(8,069)
Capital outlay	-	9,235	-	9,235
	<u>\$ 257,611</u>	<u>\$ 311,651</u>	<u>\$ 306,894</u>	<u>4,757</u>
Total general government	<u>\$ 1,481,113</u>	<u>\$ 1,503,463</u>	<u>\$ 1,519,505</u>	<u>\$ (16,042)</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE- EXPENDITURES
For the Year Ended September 30, 2020

	2020			Variance-- Positive (Negative)
	Budget		Actual	
	Original	Final		
Public Safety:				
Police Department--				
Salaries	\$ 1,146,235	\$ 1,176,698	\$ 1,185,069	\$ (8,371)
Payroll tax	11,455	26,530	27,569	(1,039)
Prisoner care	78,423	91,767	90,149	1,618
Professional fees	3,410	3,030	5,680	(2,650)
Car maintenance and operations	126,997	136,564	149,834	(13,270)
Miscellaneous	53,597	27,232	32,031	(4,799)
Equipment maintenance	8,419	4,546	4,378	168
Uniforms	9,028	11,394	11,339	55
Utilities	43,340	54,331	54,715	(384)
Supplies	50,881	65,875	45,545	20,330
Building and ground maintenance	12,270	10,193	11,750	(1,557)
Building and equipment rental	6,845	7,833	7,737	96
Animal control	67,780	65,796	63,004	2,792
Contributions to state police pension fund	-	-	-	-
Capital outlay	314,281	305,218	325,717	(20,499)
	<u>\$ 1,992,961</u>	<u>\$ 2,039,413</u>	<u>\$ 2,065,922</u>	<u>\$ (26,509)</u>
Fire Department--				
Fire attendance	\$ 19,951	\$ 23,785	\$ 19,821	\$ 3,964
Miscellaneous	-	-	-	-
Rentals on fire hydrants	23,000	23,000	-	23,000
	<u>\$ 42,951</u>	<u>\$ 46,785</u>	<u>\$ 19,821</u>	<u>\$ 26,964</u>
Permit Department--				
Salaries	\$ 80,580	\$ 83,590	\$ 81,538	\$ 2,052
Payroll taxes	2,417	5,750	5,920	(170)
Retirement	4,835	13,155	11,761	1,394
Office supplies	129	303	258	45
Utilities	1,545	1,743	1,738	5
Repairs & Maintenance	1,409	491	466	25
Capital outlay	-	-	-	-
Miscellaneous	5,484	3,443	4,115	(672)
	<u>\$ 96,399</u>	<u>\$ 108,475</u>	<u>\$ 105,796</u>	<u>\$ 2,679</u>
Marshal Department--				
Salaries	\$ 14,400	\$ 23,199	\$ 22,470	\$ 729
Payroll taxes	730	1,284	1,310	(26)
Supplies and fees	9,473	13,932	12,615	1,317
	<u>\$ 24,603</u>	<u>\$ 38,415</u>	<u>\$ 36,395</u>	<u>\$ 2,020</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
 For the Year Ended September 30, 2020

	2020			Variance-- Positive (Negative)
	Budget		Actual	
	Original	Final		
Public Safety: (Continued)				
Police Reserves	\$ 4,640	\$ 3,980	\$ 3,491	\$ 489
Total Public Safety	\$ 2,161,554	\$ 2,237,068	\$ 2,231,425	\$ 4,940
Public Works:				
Salaries	\$ 526,439	\$ 448,425	\$ 466,749	\$ (18,324)
Payroll taxes	15,793	34,225	34,779	(554)
Retirement	10,529	30,748	32,235	(1,487)
Street maintenance materials	4,604	4,323	90,102	(85,779)
Chemicals and supplies	16,014	19,308	17,899	1,409
Pest Control	14,930	25,988	16,771	9,217
Building and ground maintenance	15,296	19,077	16,343	2,734
Truck and tractor expense	119,814	119,638	132,232	(12,594)
Street lighting	43,000	43,000	43,000	-
Uniforms	15,558	15,000	16,116	(1,116)
Engineering Fees	54,453	27,096	14,292	12,804
Utilities	13,648	15,190	15,665	(475)
Miscellaneous	14,513	15,566	14,200	1,366
Equipment rentals	4,865	5,182	4,940	242
Capital outlay	421,560	265,500	191,623	73,877
Total Public Works	\$ 1,291,016	\$ 1,088,266	\$ 1,106,946	\$ (18,680)
Public Works - Storm Related Expenses	\$ -	\$ -	\$ -	\$ -
Culture and Recreation:				
Parks & Center -				
Salaries	\$ 74,997	\$ 73,973	\$ 77,073	\$ (3,100)
Payroll taxes	2,250	5,658	5,847	(189)
Miscellaneous	3,938	9,200	10,388	(1,188)
Campground Expenses	777	6,465	6,034	431
Upkeep of building and grounds	24,637	42,512	80,975	(38,463)
Utilities	59,960	62,315	62,938	(623)
Janitorial supplies	13,551	13,563	12,711	852
Capital outlay	167,000	130,007	82,603	47,404
Vehicle expenses	1,031	-	-	-
Equipment maintenance & Rental	10,922	11,868	12,787	(919)
Total Parks and Center	\$ 359,063	\$ 355,561	\$ 351,356	\$ 4,205

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULES - EXPENDITURES
 For the Year Ended September 30, 2020

	2020			Variance-- Positive (Negative)
	Budget		Actual	
	Original	Final		
Culture and Recreation: (Continued)				
Museum -				
Salaries	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-
Building and ground upkeep	2,267	2,169	1,669	500
Capital Outlay	-	-	-	-
Utilities	1,829	1,801	1,982	(181)
Miscellaneous	-	-	305	(305)
Total Museum	<u>\$ 4,096</u>	<u>\$ 3,970</u>	<u>\$ 3,956</u>	<u>\$ 14</u>
Total Culture and Recreation	<u>\$ 363,159</u>	<u>\$ 359,531</u>	<u>\$ 355,312</u>	<u>\$ 4,219</u>
Total Expenditures	<u>\$ 5,296,842</u>	<u>\$ 5,188,328</u>	<u>\$ 5,213,188</u>	<u>\$ (25,563)</u>

The accompanying notes are an integral part of this statement.

SPECIAL REVENUE FUNDS
YOUTH RECREATION FUNDBUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2020

	2020			
	Budget		Actual	Variance-- Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes--ad valorem	\$ 163,650	\$ 172,296	\$ 172,387	\$ 91
Charges for services				
Concession stand	44,566	5,367	6,765	1,398
Registration fees	54,637	8,620	10,009	1,389
Grant proceeds	-	-	-	-
Interest on investments	29	-	45	45
Miscellaneous income	-	-	-	-
Total Revenues	\$ 262,882	\$ 186,283	\$ 189,206	\$ 2,923
Current--				
Culture and recreation				
Salaries	\$ 118,989	\$ 114,436	\$ 121,364	\$ (6,928)
Payroll Taxes	9,099	9,192	9,785	(593)
Retirement	12,510	12,740	13,432	(692)
Labor	-	1,043	869	174
Engineering fees	1,200	-	-	-
Insurance	9,249	7,167	7,695	(528)
Repairs and maintenance	4,347	5,159	3,887	1,272
Youth basketball	1,189	1,157	964	193
Youth baseball	52,950	23,824	20,603	3,221
Youth football	3,878	2,795	661	2,134
Umpires & referees	18,622	14,180	15,507	(1,327)
Youth Camp	11,118	-	-	-
Material and supplies	738	878	1,506	(628)
Utilities	13,251	14,723	14,511	212
Building & Ground maintenance	3,151	2,799	9,555	(6,756)
Miscellaneous	8,298	4,507	10,558	(6,051)
Concession expense	37,945	7,102	7,396	(294)
Youth volleyball	1,346	1,965	375	1,590
Storm related	-	-	54	(54)
Capital outlay	4,000	7,936	-	7,936
Total expenditures	\$ 311,880	\$ 231,603	\$ 238,722	\$ (7,119)
Excess (deficiency) of revenues over expenditures	\$ (48,998)	\$ (45,320)	\$ (49,516)	\$ (4,196)
Other sources (uses)				
Operating transfer in (out)				
General Fund	\$ -	\$ -	\$ (180)	\$ 180
Utility Fund	-	-	-	-
Sales Tax Fund	45,000	35,000	45,000	10,000
Total other sources	\$ 45,000	\$ 35,000	\$ 44,820	\$ 10,180
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (3,998)	\$ (10,320)	\$ (4,696)	\$ 5,624
Prior period adjustment	-	-	-	-
Fund balance (deficit), beginning of year	27,679	58,599	45,385	-
Fund balance (deficit), end of year	\$ 23,681	\$ 48,279	\$ 40,689	\$ 5,624

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

SPECIAL REVENUE FUNDS
SECTION 8--HOUSING ASSISTANCE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2020

	2020			
	Budget		Actual	Variance-- Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenues--				
Grant from Federal Government	\$ 428,042	\$ 451,611	\$ 474,526	\$ 22,915
Interest on investments	179	55	65	10
Other income	-	-	-	-
Total revenues	<u>\$ 428,221</u>	<u>\$ 451,666</u>	<u>\$ 474,591</u>	<u>\$ 22,925</u>
Expenditures:				
Current--				
Urban redevelopment and housing--				
Salaries	\$ 47,910	\$ 47,126	\$ 51,987	\$ (4,861)
Part-time labor	358	-	-	-
Professional fees	8,520	8,352	10,068	(1,716)
Meeting expense	-	-	-	-
Miscellaneous	9,680	9,463	9,185	278
Capital outlay	-	-	-	-
Payroll taxes	3,673	3,809	4,190	(381)
Utility assistance	1,053	1,687	1,761	(74)
Housing assistance	355,257	410,363	395,847	14,516
Total expenditures	<u>\$ 426,451</u>	<u>\$ 480,800</u>	<u>\$ 473,038</u>	<u>\$ 7,762</u>
Excess of revenues over expenditures	\$ 1,770	\$ (29,134)	\$ 1,553	\$ (30,687)
Other sources (uses)				
Operating transfer in (out)				
Sales Tax Fund	\$ -	\$ 3,000	\$ -	\$ (3,000)
Total other sources	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ (3,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 1,770	\$ (26,134)	\$ 1,553	\$ 27,687
Fund balance (deficit), beginning of year	<u>(3,133)</u>	<u>30,439</u>	<u>30,777</u>	<u>(338)</u>
Fund balance (deficit), end of year	<u>\$ 407</u>	<u>\$ (18,829)</u>	<u>\$ 32,330</u>	<u>\$ (9,338)</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

UNEMPLOYMENT COMPENSATION FUND
 BUDGETARY COMPARISON SCHEDULE
 For the Year Ended September 30, 2020

	2020			
	Budget		Actual	Variance-- Favorable (Unfavorable)
	Original	Final		
Revenues:				
Contributions from other funds	\$ -	\$ 15,097	\$ 19,592	\$ 4,495
Interest on investments	-	-	401	401
Total Revenues	<u>\$ -</u>	<u>\$ 15,097</u>	<u>\$ 19,993</u>	<u>\$ 4,896</u>
Expenditures:				
Administrative fees	\$ 2,000	\$ 6,500	\$ 5,096	\$ 1,404
Excess of Revenues over Expenditures	<u>\$ (2,000)</u>	<u>\$ 8,597</u>	<u>\$ 14,897</u>	<u>\$ 6,300</u>
Other Sources (Uses)				
Operating Transfers Out	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (2,000)	\$ 8,597	\$ 14,897	\$ 6,300
Fund Balance, beginning of year	<u>165,296</u>	<u>165,413</u>	<u>177,289</u>	<u>(11,876)</u>
Fund Balance, end of year	<u>\$ 163,296</u>	<u>\$ 174,010</u>	<u>\$ 192,186</u>	<u>\$ (5,576)</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

SPECIAL REVENUE FUNDS
 VETERAN'S PARK
 BUDGETARY COMPARISON SCHEDULE
 For the Year Ended September 30, 2020

	2020			Variance-- Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Sale of Bricks	\$ -	\$ 675	\$ 1,049	\$ 374
Total Revenues	\$ -	\$ 675	\$ 1,049	\$ 374
Expenditures:				
Current--				
Culture and Recreation				
Building and Grounds Upkeep	\$ 409	\$ -	\$ -	\$ -
Miscellaneous	195	406	577	-
Capital Outlay	9,598	11,000	-	(11,000)
Total Expenditures	\$ 10,202	\$ 11,406	\$ 577	\$ (11,000)
Excess (deficiency) of revenues over expenditures	\$ (10,202)	\$ (10,731)	\$ 472	\$ (11,374)
Other Sources (Uses)				
Operating Transfer General Fund	\$ -	\$ -	\$ -	\$ -
Total Other Sources (Uses)	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of sources and other sources over expenditures and other uses	\$ (10,202)	\$ (10,731)	\$ 472	\$ (11,374)
Fund balance, beginning of year	(33,330)	(15,830)	21,126	\$ 36,956
Fund balance, end of year	\$ (43,532)	\$ (26,561)	\$ 21,598	\$ 25,582

The following notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

SPECIAL REVENUE FUNDS
 LCDBG FUND
 BUDGETARY COMPARISON SCHEDULE
 For the Year Ended September 30, 2020

	2020			Variance-- Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Intergovernmental revenues--				
Grant from State Government	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Current--				
Urban redevelopment and housing--				
Administrative fees	\$ -	\$ -	\$ -	\$ -
Engineering Fees	-	-	-	-
Construction	-	-	36,640	36,640
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,640</u>	<u>\$ 36,640</u>
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ (36,640)	\$ 36,640
Other Sources (Uses)				
Operating Transfer Sewer Fund	\$ -	\$ -	\$ 36,641	\$ (36,641)
Total Other Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,641</u>	<u>\$ (36,641)</u>
Excess (deficiency) of sources and other sources over expenditures and other uses	\$ -	\$ -	\$ 1	\$ (1)
Fund balance, beginning of year	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>\$ -</u>
Fund balance, end of year	<u><u>\$ (1)</u></u>	<u><u>\$ (1)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1)</u></u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

ENTERPRISE FUND
UTILITY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2020

	2020			
	Budget		Actual	Variance-- Favorable (Unfavorable)
	Original	Final		
Operating Revenues:				
Power customers	\$ 288,473	\$ 7,088,649	\$ 8,035,476	\$ 946,827
Residential	4,948,410	1,827,866	25,657	(1,802,209)
Commercial	2,681,321	1,013,355	-	(1,013,355)
Street lighting	43,000	51,783	43,000	(8,783)
Water revenue	564,951	1,453,466	1,052,543	(400,923)
Fire hydrant rental	23,000	23,000	23,000	-
Delinquent charges	184,037	100,893	138,730	37,837
	<u>\$ 8,733,192</u>	<u>\$ 11,559,012</u>	<u>\$ 9,318,406</u>	<u>\$ (2,240,606)</u>
Other operating revenue	641,915	622,121	609,154	(12,967)
	<u>\$ 9,375,107</u>	<u>\$ 12,181,133</u>	<u>\$ 9,927,560</u>	<u>\$ (2,253,573)</u>
Total Operating Revenues				
Operating Expenses:				
Electric generating expense	\$ 5,844,498	\$ 5,454,146	\$ 5,453,430	\$ 716
Electric distribution expense	537,420	588,276	581,595	6,681
Water department expense	425,914	485,756	431,096	54,660
Water treatment plant expense	3,029,728	666,025	438,460	227,565
Overhead expense	1,508,814	1,468,719	1,641,158	(172,439)
Warehouse expense	54,837	86,639	59,347	27,292
Total Operating Expenses	<u>\$ 11,401,211</u>	<u>\$ 8,749,561</u>	<u>\$ 8,605,086</u>	<u>\$ 144,475</u>
Total Operating Income	\$ (2,026,104)	\$ 3,431,572	\$ 1,322,474	\$ (2,109,098)
Non-Operating Revenues (expense)	\$ 2,447,164	\$ 177,791	\$ 5,688	\$ (172,103)
Income before Operating Transfers	<u>\$ 421,060</u>	<u>\$ 3,609,363</u>	<u>\$ 1,328,162</u>	<u>\$ (2,281,201)</u>
Other sources (uses):				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
Operating transfers out	(1,000,000)	(1,000,000)	(1,007,152)	(7,152)
Total Other Sources	<u>\$ (1,000,000)</u>	<u>\$ (1,000,000)</u>	<u>\$ (1,007,152)</u>	<u>\$ (7,152)</u>
Net Income (Loss)	<u>\$ (578,940)</u>	<u>\$ 2,609,363</u>	<u>\$ 321,010</u>	<u>\$ (2,288,353)</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

ENTERPRISE FUND
UTILITY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2020

	2020			
	Budget		Actual	Variance-- Favorable (Unfavorable)
	Original	Final		
Electric Generating Expense:				
Salaries	\$ 68,075	\$ 68,972	\$ 71,917	\$ (2,945)
Payroll taxes	2,042	4,815	4,948	(133)
Retirement	8,850	9,354	9,862	(508)
Fuel	-	-	-	-
Repairs to generators	-	-	192	(192)
Purchased power	5,760,120	5,367,452	5,364,382	3,070
Miscellaneous	5,411	3,553	2,129	1,424
	<u>\$ 5,844,498</u>	<u>\$ 5,454,146</u>	<u>\$ 5,453,430</u>	<u>\$ 716</u>
Electric Distribution Expense:				
Salaries and wages	\$ 332,378	\$ 356,065	\$ 344,487	\$ 11,578
Payroll taxes	9,971	24,058	24,862	(804)
Retirement	36,562	38,480	40,647	(2,167)
Line maintenance	30,973	44,965	38,765	6,200
Street light maintenance	15,108	17,317	15,355	1,962
Meter maintenance	7,447	5,361	6,704	(1,343)
Maintenance equipment	13,219	1,689	8,850	(7,161)
Storm related expenses	-	5,000	-	-
Truck operation and maintenance	58,288	58,613	59,628	(1,015)
Tools and supplies	11,373	13,164	9,084	4,080
Uniforms	8,122	9,338	8,991	347
Miscellaneous	13,979	14,226	24,222	(9,996)
	<u>\$ 537,420</u>	<u>\$ 588,276</u>	<u>\$ 581,595</u>	<u>\$ 1,681</u>
Water Department Expense:				
Salaries and wages	\$ 324,576	\$ 296,366	\$ 305,926	\$ (9,560)
Payroll taxes	9,737	20,539	21,221	(682)
Retirement	19,475	36,250	38,237	(1,987)
Well maintenance	1,382	1,718	2,553	(835)
Line maintenance	13,825	19,219	7,070	12,149
Meter maintenance	19,088	12,150	13,079	(929)
Uniforms	3,912	5,435	5,383	52
Truck operation and maintenance	13,085	8,454	9,006	(552)
Small tools and supplies	7,738	4,071	3,613	458
Engineering fees	650	9,469	10,027	(558)
Capital Outlay	-	58,000	-	58,000
Miscellaneous	12,446	14,085	14,981	(896)
	<u>\$ 425,914</u>	<u>\$ 485,756</u>	<u>\$ 431,096</u>	<u>\$ 54,660</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

ENTERPRISE FUND
UTILITY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2020

	2020			
	Budget		Actual	Variance-- Favorable (Unfavorable)
	Original	Final		
Water Treatment Plant:				
Salaries	\$ 185,530	\$ 208,466	\$ 203,567	\$ 4,899
Payroll taxes	11,132	15,594	15,786	(192)
Retirement	9,276	25,391	26,410	(1,019)
Engineering fees	168,406	44,903	16,102	28,801
Chemicals	51,225	56,640	61,199	(4,559)
Tools and equipment maintenance	17,530	40,021	22,591	17,430
Building maintenance	3,604	3,079	3,070	9
Utilities	71,776	73,502	72,249	1,253
Capital outlay	2,450,000	181,476		
Miscellaneous	61,249	16,953	17,486	(533)
	<u>\$ 3,029,728</u>	<u>\$ 666,025</u>	<u>\$ 438,460</u>	<u>\$ 46,089</u>
Overhead Expenses:				
Salaries and wages	\$ 327,231	\$ 367,875	\$ 394,793	\$ (26,918)
Payroll taxes	68,719	32,635	34,793	(2,158)
Group insurance	266,135	218,912	238,086	(19,174)
Professional fees	131,074	113,564	148,076	(34,512)
General insurance	136,659	188,978	200,980	(12,002)
Depreciation	262,569	290,348	279,173	11,175
Postage and supplies	48,888	31,304	30,122	1,182
Utilities	13,565	18,258	18,487	(229)
Equipment maintenance	7,580	15,195	13,913	1,282
Water damage	-	-	-	-
Pension expense	-	-	-	-
Bad debt expense	-	-	-	-
Promotions	31,523	41,089	37,485	3,604
Building and ground maintenance	12,504	16,018	13,545	2,473
Engineering fees	2,506	1,247	1,040	207
Miscellaneous	41,176	68,846	72,051	(3,205)
Administrative expense-Retirement	114,531	47,554	153,836	(106,282)
Capital outlay	40,000	12,572	-	12,572
Uniforms	4,154	4,324	4,778	(454)
	<u>\$ 1,508,814</u>	<u>\$ 1,468,719</u>	<u>\$ 1,641,158</u>	<u>\$ (172,439)</u>
Warehouse Expense:				
Salaries and wages	\$ 46,771	\$ 68,417	\$ 43,193	\$ 25,224
Payroll taxes	1,403	4,965	4,690	275
Retirement	2,339	9,461	8,981	480
Building and ground maintenance	1,328	481	360	121
Supplies	1,593	1,731	1,167	564
Miscellaneous	1,403	1,584	956	628
	<u>\$ 54,837</u>	<u>\$ 86,639</u>	<u>\$ 59,347</u>	<u>\$ 27,292</u>
Total Operating Expenses	<u>\$ 11,401,211</u>	<u>\$ 8,749,561</u>	<u>\$ 8,605,086</u>	<u>\$ (42,001)</u>

The accompanying notes are an integral part of this statement

CITY OF RAYNE, LOUISIANA

ENTERPRISE FUND
 UTILITY FUND
 BUDGETARY COMPARISON SCHEDULE
 For the Year Ended September 30, 2020

	2020			
	Budget		Actual	Variance-- Favorable (Unfavorable)
	Original	Final		
Non-Operating Revenue:				
Interest earned on investments	\$ 2,358	\$ 1,964	\$ 3,280	\$ 1,316
Loan proceeds	2,450,000	180,679		
Claims from Insurance	-	342	14,204	13,862
Intergovernmental				
FEMA	-	-	-	-
State	-	-	-	-
Miscellaneous	-	-	8,239	8,239
	<u>\$ 2,452,358</u>	<u>\$ 182,985</u>	<u>\$ 25,723</u>	<u>\$ 23,417</u>
Non-Operating Expenses:				
Bond interest expense	\$ 5,194	\$ 5,194	\$ 5,194	\$ -
Storm Related expense	-	-	14,841	-
Loss on Disposal of Assets	-	-	-	-
Miscellaneous	-	-	-	-
	<u>\$ 5,194</u>	<u>\$ 5,194</u>	<u>\$ 20,035</u>	<u>\$ -</u>
Non-operating revenue (expenses)	<u>\$ 2,447,164</u>	<u>\$ 177,791</u>	<u>\$ 5,688</u>	<u>\$ 23,417</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

ENTERPRISE FUND
SANITATION FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2020

	2020			
	Budget		Actual	Variance-- Favorable (Unfavorable)
	Original	Final		
Revenues:				
Operating Revenues:				
Charges for service	\$ 900,000	\$ 1,381,748	\$ 855,823	\$ (525,925)
Non-Operating Revenues:				
Miscellaneous income	-	-	4	4
Bond proceeds	760,000	78,846	-	(78,846)
Claims from insurance	-	-	-	-
Grant	-	-	-	-
Interest on investments	54	-	1	1
Total Revenues	<u>\$ 1,660,054</u>	<u>\$ 1,460,594</u>	<u>\$ 855,828</u>	<u>\$ (604,766)</u>
Expenditures:				
Current--				
Sanitation--				
Salaries	\$ 171,931	\$ 168,937	\$ 204,052	\$ (35,115)
Payroll taxes	12,898	13,254	16,045	(2,791)
Line maintenance	7,206	1,092	1,124	(32)
Repairs and maintenance	17,381	24,535	46,197	(21,662)
Insurance	17,202	20,166	20,274	(108)
Utilities/Telephone	77,928	85,181	86,181	(1,000)
Chemicals	600	276	331	(55)
Lab fees	13,077	19,652	19,249	403
Group insurance	21,370	18,256	19,817	(1,561)
Building & ground maintenance	18,945	1,151	812	339
Retirement system	15,740	19,037	28,397	(9,360)
Engineering fees	104,222	35,813	31,182	4,631
Department supplies	1,356	1,508	647	861
Storm related expenses	-	3,000	2,331	669
Miscellaneous	8,399	10,335	15,464	(5,129)
Capital outlay	945,000	58,728	-	58,728
Depreciation	270,949	270,468	269,977	491
Bad debt	-	-	-	-
Bond interest	3,060	3,207	1,743	1,464
Total Expenditures	<u>\$ 1,707,264</u>	<u>\$ 754,596</u>	<u>\$ 763,823</u>	<u>\$ (9,227)</u>
Income before operating transfers	<u>\$ (47,210)</u>	<u>\$ 705,998</u>	<u>\$ 92,005</u>	<u>\$ (613,993)</u>
Other sources (uses):				
Capital contributions	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	-	(89,297)	-
Operating transfers in	-	-	-	-
Total Other Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (89,297)</u>	<u>\$ -</u>
Net income (loss)	<u>\$ (47,210)</u>	<u>\$ 705,998</u>	<u>\$ 2,708</u>	<u>\$ (703,290)</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Combining Balance Sheet
Nonmajor Governmental Funds

For the Year Ended September 30, 2020

	Special Revenue					Total Nonmajor Governmental Funds
	Youth Recreation Fund	Section 8 Fund	Unemployment Compensation	Veteran's Park	LCDBG	
ASSETS						
Cash and cash equivalents	\$ 30,706	\$ 42,330	\$ 46,650	\$ 21,661	\$ -	\$ 141,347
Investments	25,539	-	141,041	-	-	166,580
Receivables	1,082	-	-	-	-	1,082
Due from other funds	-	-	4,495	-	-	4,495
Due from other governments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
TOTAL ASSETS	\$ 57,327	\$ 42,330	\$ 192,186	\$ 21,661	\$ -	\$ 313,504
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 2,619	\$ 33	\$ -	\$ 63	\$ -	\$ 2,715
Accrued Payroll liabilities	14,019	9,967	-	-	-	23,986
Payable from restricted assets	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Matured bonds and interest payable	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Matured bonds and interest payable	-	-	-	-	-	-
Total Liabilities	\$ 16,638	\$ 10,000	\$ -	\$ 63	\$ -	\$ 26,701
Fund balances:						
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	40,689	32,330	192,186	21,598	-	286,803
Total Fund Balances	\$ 40,689	\$ 32,330	\$ 192,186	\$ 21,598	\$ -	\$ 286,803
Total Liabilities and Fund Balances	\$ 57,327	\$ 42,330	\$ 192,186	\$ 21,661	\$ -	\$ 313,504

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended September 30, 2020

	Special Revenue					Total	Total Nonmajor Governmental Funds
	Youth Recreation	Section 8	Unemployment Compensation	Veteran's Park	LCDBG		
REVENUES							
Ad valorem	\$ 172,387	\$ -	\$ -	\$ -	\$ -	\$ 172,387	\$ 172,387
Charges for services	16,785	-	-	-	-	16,785	16,785
Intergovernmental revenues							
State grants	-	-	-	-	-	-	-
Federal grants	-	474,526	-	-	-	474,526	474,526
Investment earnings	45	65	401	-	-	511	511
Other revenues	-	-	19,592	1,049	-	20,641	20,641
Total Revenues	<u>\$ 189,217</u>	<u>\$ 474,591</u>	<u>\$ 19,993</u>	<u>\$ 1,049</u>	<u>\$ -</u>	<u>\$ 684,850</u>	<u>\$ 684,850</u>
EXPENDITURES							
General Government	\$ -	\$ -	\$ 5,096	\$ -	\$ -	\$ 5,096	\$ 5,096
Juvenile Program	-	-	-	-	-	-	-
Cultural and recreation	238,733	-	-	577	-	239,310	239,310
Urban Redevelopment and housing	-	473,038	-	-	36,640	509,678	509,678
Debt service	-	-	-	-	-	-	-
Principle retirement	-	-	-	-	-	-	-
Interest & Fiscal charges	-	-	-	-	-	-	-
Total Expenditures	<u>\$ 238,733</u>	<u>\$ 473,038</u>	<u>\$ 5,096</u>	<u>\$ 577</u>	<u>\$ 36,640</u>	<u>\$ 754,084</u>	<u>\$ 754,084</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (49,516)</u>	<u>\$ 1,553</u>	<u>\$ 14,897</u>	<u>\$ 472</u>	<u>\$ (36,640)</u>	<u>\$ (69,234)</u>	<u>\$ (69,234)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	\$ 45,000	\$ -	\$ -	\$ -	\$ 36,641	\$ 81,641	\$ 81,641
Transfers out	(180)	-	-	-	-	(180)	(180)
Total Other Financing Sources and Uses	<u>\$ 44,820</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,641</u>	<u>\$ 81,461</u>	<u>\$ 81,461</u>
Net Change in Fund Balance	\$ (4,696)	\$ 1,553	\$ 14,897	\$ 472	\$ 1	\$ 12,227	\$ 12,407
Fund balances - beginning	45,385	30,777	177,289	21,126	(1)	274,576	274,576
Fund balances - ending	<u>\$ 40,689</u>	<u>\$ 32,330</u>	<u>\$ 192,186</u>	<u>\$ 21,598</u>	<u>\$ -</u>	<u>\$ 286,803</u>	<u>\$ 286,983</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Combined Schedule of Long-Term Debt
For the Year Ended September 30, 2020

	Issue Date	Final Maturity Date	Interest Rates	Payment Dates	Bonds		
					Issued	Retired	Outstanding
Utility Revenue Bonds -							
Utilities Revenue Bonds, Series 2020	8/12/2020	3/1/2041	1.95%	3/1	<u>\$ 180,678</u>	<u>\$ -</u>	<u>\$ 180,678</u>
Utility Revenue Bonds, Series 2018 - Sewer*	3/1/2018	3/1/2039	0.45%	3/1	<u>\$ 413,717</u>	<u>\$ 18,000</u>	<u>\$ 395,717</u>
Certificated of Indebtedness, Series 2011	3/1/2011	3/1/2021	3.02%	3/1	<u>\$ 1,000,000</u>	<u>\$ 884,000</u>	<u>\$ 116,000</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
Schedule of Insurance in Force
(Unaudited)

For the Year Ended September 30, 2020

Insurance / Agent	Risks Covered	Limits of Coverage	Expiration Date	
Landmark America	Blanket Building, Structures Blanket Personal Property	12,399,080	1/1/21	
Western Surety (CNA Surety)	Bond (City Tax Collector)	10,000	3/24/2021	
	Bonds - City Court, City Clerk, Mayor, Marshall	90,000	Various	
	Blanket - City Employees E&O	100,000	6/24/2021	
National Casualty Co.	Rayne Civil Defense Auxiliary Police Death	12,500	8/23/21	
	Specific Loss	25,000		
	Accident Maximum	50,000		
Risk Management, Inc.	General Liability	500,000	4/25/2021	
	Automobile Liability	500,000	4/25/2021	
	Errors and Omissions	500,000	4/25/2021	
	Law Enforcement Officer	500,000	4/25/2021	
	Worker's Compensation	500,000	1/1/2021	
	Rayne City Marshal: Commercial General Liability	500,000	3/26/21	
	Law Enforcement Officer	500,000	3/26/21	
	Errors and Omissions	500,000	3/26/21	
	Continental Casualty Company	Boiler and Machinery	25,000	1/20/2021
	US Fire Insurance Company	Flag and Tackle Football Accidental Death and Medical	10,000	3/7/2020
Basketball Accidental Death and Medical		10,000	6/3/2020	
Summer Baseball and Softball Medical		10,000	3/16/2021	
All- Star Baseball Liability/Medical		1,000,000	6/1/2020	
US Fire Insurance Company	Athletic Officials Activities (YR)			
	Medical Benefits Officials	10,000	1/17/2021	
	General Liability for Officials	1,000,000 / Occurrence 2,000,000 Aggregate		

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
 Combined Schedule of Investments - All Funds

For the Year Ended September 30, 2020

	<u>Financial Institution</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Utility				
Money Market Account	Rayne Bldg & Loan	0.65%	4/17/2021	\$ 100,000
Passbook	Bank of Commerce	0.20%		165,992
Passbook	Bank of Commerce	0.20%		<u>212,162</u>
				<u>\$ 478,154</u>
Sewer				
Passbook	Rayne State Bank	0.15%		<u>1,040</u>
				<u>\$ 1,040</u>
Unemployment Compensation				
Passbook	Bank of Commerce	0.20%		<u>\$ 141,041</u>
Youth Recreation				
Passbook	Rayne State Bank	0.20%		<u>\$ 25,539</u>
General				
Passbook	Bank of Commerce	0.20%		<u>\$ 161,321</u>
				<u>\$ 807,095</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
For the Year Ended September 30, 2020

Agency Head Name: Charles E. Robichaux, Mayor (October 1, 2019- September 30, 2020)

Purpose	Amount
Salary	\$ 76,000
Benefits-insurance	-
Benefits-retirement	10,904
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	3,801
Travel	-
Dues	-
Registration fees	100
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	<hr/>
	\$ 90,805

The accompanying notes are an integral part of this statement.

Statistical Section

CITY OF RAYNE, LOUISIANA

STATISTICAL INFORMATION

Table 1

PROPERTY TAX LEVIES AND COLLECTION
FOR THE LAST TEN FISCAL YEARS

<u>Year</u>	<u>Valuation</u>	<u>Millage</u>	<u>Taxes</u>
2010-2011	30,005,218	12.10	363,069
2011-2012	29,844,448	12.10	360,579
2012-2013	29,975,173	12.10	362,706
2013-2014	32,356,043	12.10	391,514
2014-2015	31,550,213	12.10	380,825
2015-2016	31,770,915	12.10	378,972
2016-2017	32,056,915	12.10	387,895
2017-2018	32,730,055	12.10	393,597
2018-2019	33,860,545	12.10	409,718
2019-2020	34,543,735	12.10	417,183

Table 2

GENERAL REVENUES BY SOURCE*
FOR THE LAST FIVE FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Taxes	\$ 2,876,749	\$ 2,914,987	\$ 2,792,382	\$ 2,637,056	\$ 2,571,760
Licenses and permits	326,186	333,382	316,549	338,157	329,667
Intergovernmental	923,246	1,312,065	942,025	904,339	1,118,032
Charges for services	44,000	171,519	171,977	183,866	163,997
Fines	169,785	123,391	98,629	122,422	145,235
Miscellaneous	247,238	387,787	343,148	641,396	230,863
Totals	<u>\$ 4,587,204</u>	<u>\$ 5,243,131</u>	<u>\$ 4,664,710</u>	<u>\$ 4,827,236</u>	<u>\$ 4,559,554</u>

*Includes General, Special Revenue, and Debt Service Funds.

CITY OF RAYNE, LOUISIANA

STATISTICAL INFORMATION

Table 3

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION*
FOR THE LAST FIVE FISCAL YEARS

	2020	2019	2018	2017	2016
General governments	\$ 1,585,600	\$ 1,578,200	\$ 1,578,725	\$ 1,954,252	\$ 1,574,521
Public safety	2,231,425	2,213,511	1,981,300	1,863,315	1,858,846
Public works	1,106,946	1,162,156	1,041,869	929,082	981,353
Culture and recreation	594,622	912,497	568,115	661,361	662,257
Public works - storm related	-	-	-	1,739	5,845
Urban and housing redevelopment	509,678	776,031	573,394	458,348	726,656
Debt service	-	-	-	-	-
Totals	\$ 6,028,271	\$ 6,642,395	\$ 5,743,403	\$ 5,868,097	\$ 5,809,478

* Includes General, Special Revenue, and Debt Service Funds and Capital Project Funds.

Table 4

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL EXPENDITURES

	2020	2019	2018	2017	2016
Principal	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Total Debt Service	\$ -				
Total general expenditures	\$ 6,028,271	\$ 6,642,395	\$ 5,743,403	\$ 5,868,097	\$ 5,809,478
Ratio of debt service to total general expenditures	0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF RAYNE, LOUISIANA

STATISTICAL INFORMATION

Table 5

UTILITY REVENUE BOND COVERAGE
FOR THE LAST FIVE FISCAL YEARS

	2020	2019	2018	2017	2016
Gross revenues*	\$ 10,783,383	\$ 10,153,019	\$ 10,650,671	\$ 10,113,442	\$ 9,636,895
Operating expenditures**	8,857,804	8,996,009	8,429,262	7,983,175	7,999,595
Net available for debt service	\$ 1,925,579	\$ 1,157,010	\$ 2,221,409	\$ 2,130,267	\$ 1,637,300
Debt service requirements:					
Principal	\$ 130,000	\$ 108,000	\$ 106,000	\$ 101,000	\$ 97,000
Interest	6,937	8,516	11,748	14,873	17,863
Total	\$ 136,937	\$ 116,516	\$ 117,748	\$ 115,873	\$ 114,863
Coverage	14.1	9.9	18.9	18.4	14.3

* Includes revenue from all sources.

** Includes all operating expenditures except depreciation.

Table 6

GROSS SALARIES BY FUNCTION
FOR LAST FIVE FISCAL YEARS

	2020	2019	2018	2017	2016
General government	\$ 320,457	\$ 283,166	\$ 283,166	\$ 284,204	\$ 284,204
Public safety	1,289,077	1,250,872	1,096,373	1,025,382	1,057,417
Public works	466,749	508,003	604,890	559,471	560,133
Culture and recreations	198,437	192,168	188,834	183,306	189,688
Urban redevelopment and housing	51,987	48,372	47,827	45,078	42,322
Enterprise	1,567,935	1,464,289	1,449,837	1,385,810	1,445,556
Totals	\$ 3,894,642	\$ 3,746,870	\$ 3,670,927	\$ 3,483,251	\$ 3,579,320

**Compliance, Internal Control
and Other Information**

THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

P. O. BOX 34 • 801 THE BOULEVARD, SUITE B • RAYNE, LOUISIANA 70578 • (337) 334-7251 FAX (337) 334-7002

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 Charles E. Robichaux
And the Board of Alderman
City of Rayne, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the primary government financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rayne, Louisiana, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Rayne, Louisiana's basic primary government financial statements and have issued our report thereon dated June 24, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Rayne, 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 the City of Rayne, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Rayne, 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. We did identify certain deficiencies in internal control that we consider to be significant deficiencies which is described in the accompanying schedule of findings and correction action plan as items 2020-1, 2020-2, 2020-3, 2020-5, 2020-6 and 2020-8.

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Charles E. Robichaux
And the Board of Alderman
City of Rayne, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Rayne, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and corrective action plan as items 2020-4, 2020-7 and 2020-9.

City of Rayne, Louisiana's Response to Findings

City of Rayne, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and corrective action plan. The City of Rayne, 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Thibodeaux Accounting Company
Thibodeaux Accounting Company
A Limited Liability Company

Rayne, Louisiana
June 24, 2021

CITY OF RAYNE, LOUISIANA

Schedule of Corrective Action Taken on Prior Year Findings
For the Year Ended September 30, 2020

Significant Deficiencies - Financial Reporting Findings

2019-1 The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements including the related notes.

This matter is unresolved.

2019-2 Bank reconciliations not prepared timely.

This matter is unresolved.

2019-3 Termination payments did not match the cumulative leave records.

This matter is resolved.

Material Weaknesses - Financial Reporting Findings

There were no instances of material weaknesses that were disclosed during the audit for the period ended September 30, 2019.

Non-Compliance - Financial Reporting Findings

There was 1 instance of non-compliance that was disclosed during the audit for the period ended September 30, 2019.

2019-4 The City paid sales tax on purchases and they are tax exempt.

This matter is unresolved.

CITY OF RAYNE, LOUISIANA

Schedule of Corrective Action Taken on Prior Year Findings
For the Year Ended September 30, 2020
(Continued)

Findings and questioned costs relating to federal programs.

There were no findings or questioned costs relating to federal programs.

Management Letter

No management letter was issued for the year ended September 30, 2020.

CITY OF RAYNE, LOUISIANA

Schedule of Findings and Corrective Action Plan
For the Year Ended September 30, 2020

Part I

Summary of Auditor's Results

Financial Statements

Auditor's Report

Since the City did not present all of its component units, an adverse opinion was issued for the City of Rayne as a reporting entity, however, an unmodified opinion has been issued on the primary government financial statements of the City of Rayne as of and for the year ended September 30, 2020.

Internal Control - Financial Reporting

There were six significant deficiencies in internal control over financial reporting required to be disclosed during the audit of the financial statements for the period ended September 30, 2020 which are identified as 2020-1, 2020-2, 2020-3, 2020-5, 2020-6, and 2020-8. There were no material weaknesses in internal control over financial reporting required to be disclosed during the audit of the financial statements.

Noncompliance - Financial Reporting

There were three instances of noncompliance that were disclosed during the audit of the financial statements for the period ended September 30, 2020, which are identified as 2020-4, 2020-7 and 2020-9.

CITY OF RAYNE, LOUISIANA

Schedule of Findings and Corrective Action Plan
For the Year Ended September 30, 2020

Part 2

Findings Relating to an audit in accordance with Government Auditing Standards

2020-1 Finding: Financial statements not in accordance with GAAP

The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing the financial statements including the related notes.

Criteria:

The reporting entity should be able to prepare financial statements in accordance with GAAP without any outside assistance.

Cause of Condition:

The City does not have the funds to hire someone or outsource this function.

Effect of Condition:

The financial statements may not be prepared in accordance with GAAP.

Recommendation:

We recommend that the City outsource this task to ensure the recording of the City's financial transactions in accordance with GAAP.

Corrective Action Plan:

The City has evaluated the cost vs. benefits of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the City to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation. Annette Cutrera is the responsible party and there is no date of expected correction.

2020-2 Finding: Bank reconciliations not prepared timely.

The City did not perform bank reconciliations in a timely manner.

Criteria:

The City should perform bank reconciliations within two months of the closing period.

Cause of Condition:

Management failed to ensure that bank reconciliations were performed correctly. When reviewed by the auditor, it was determined that reconciliations were inaccurate. This caused the City to hire outside assistance to reconcile some accounts over twelve months.

Schedule of Findings and Corrective Action Plan (continued)
For the Year Ended September 30, 2020

Effect of Condition:

The City could have unrecorded transactions or errors which would effect the financial statements.

Recommendation:

The City should perform bank reconciliations timely to ensure that financial information is recorded correctly as it pertains to cash transactions.

Corrective Action Plan:

Management will ensure that bank reconciliations are performed timely. Annette Cutrera is the responsible party and the estimated date of correction is September 30, 2021.

2020-3 Finding: An employee was paid the wrong pay rate

An employee was paid the wrong rate for payroll causing a severe overpayment and the error was not noticed until the employee brought it to management's attention after receiving the signed payroll check.

Criteria:

Management should review payroll and ensure that the City is in compliance with Article VII, Section 14(A) of the LA Constitution which provides that funds, credit, property or things of value of the State of any political subdivision shall not be loaned, pledged, or donated to or for any person, association or corporations.

Cause of Condition:

The wrong pay rate was entered into the payroll system and management did not notice the error upon review.

Effect of Condition:

An employee could be given more than they earned and the City would be considered to have loaned or donated public funds.

Recommendation:

All payroll reports should be thoroughly reviewed for proper pay rates, hours and correctness.

Corrective Action Plan:

Management will ensure that payroll reports are thoroughly reviewed. Annette Cutrera is the responsible party and the estimated date of correction is September 30, 2021.

CITY OF RAYNE, LOUISIANA

Schedule of Findings and Corrective Action Plan (continued)
For the Year Ended September 30, 2020

2020-4 Finding: The City paid sales tax on purchases and they are tax exempt.

Criteria:

Article VII, Section 14(A) of the LA Constitution of 1974 provides that funds, credit, property or things of value of the State of any political subdivision shall not be loaned, pledged, or donated to or for any person, association or corporations.

Cause of Condition:

The City made payments that included sales tax.

Effect of Condition:

The City was in violation of Article VII, Section 14(A) of the Louisiana Constitution of 1974 and expended funds unnecessarily.

Recommendation:

The City should ensure that it distributes funds in accordance with laws.

Corrective Action Plan:

The City will ensure that all laws and regulations are followed to prevent possible violations. Annette Cutrera is the responsible party and the expected completion date is September 30, 2021.

2020-5 Finding: General Ledger accounts not reconciled.

Various general ledger accounts were not reconciled to sub-ledgers.

Criteria:

The City should ensure that the general ledger is accurate and reconciled timely.

Cause of Condition:

Management did not reconcile general ledger accounts monthly.

Effect of Condition:

Material journal entries may have to be made causing inaccurate information to be given before reconciliations were performed.

Recommendation:

Monthly reconciliations of all major accounts should be done timely.

CITY OF RAYNE, LOUISIANA

Schedule of Findings and Corrective Action Plan (continued)
For the Year Ended September 30, 2020

2020-5 Finding: General Ledger accounts not reconciled. (Continued)

Corrective Action Plan:

The City will ensure all general ledger accounts are reconciled monthly. Annette Cutrera is the responsible party and the expected completion date is September 30, 2021.

2020-6 Finding: Overpayment made to the Louisiana Department of Revenue

An overpayment was made to the Louisiana Department of Revenue resulting in a receivable that management was unaware of.

Criteria:

Article VII, Section 14(A) of the LA Constitution of 1974 provides that funds, credit, property or things of value of the State of any political subdivision shall not be loaned, pledged, or donated to or for any person, association or corporations.

Cause of Condition:

Management used inaccurate reports.

Effect of Condition:

The City was in violation of Article VII, Section 14(A) of the Louisiana Constitution and expended funds unnecessarily.

Recommendation:

Management should review all calculations for sales tax payable and ensure that correct amounts are paid.

Corrective Action Plan:

The City will ensure that accurate reports are used to prepare the sales tax reports and that the correct amounts are paid. Annette Cutrera is the responsible party and the expected completion date is September 30, 2021.

CITY OF RAYNE, LOUISIANA

Schedule of Findings and Corrective Action Plan (continued)
For the Year Ended September 30, 2020

2020-7 Finding: Late penalties paid.

The City paid penalties for late submission of sales tax reports.

Criteria:

Article VII, Section 14(A) of the LA Constitution of 1974 provides that funds, credit, property or things of value of the State of any political subdivision shall not be loaned, pledged, or donated to or for any person, association or corporations.

Cause of Condition:

The City failed to submit tax reports timely.

Effect of Condition:

The City could be out of compliance with filing requirements and pay penalties unnecessarily.

Recommendation:

The City should submit all tax filings timely to ensure that the City is in compliance.

Corrective Action Plan:

The City will ensure that tax filings are submitted timely. Annette Cutrera is the responsible party and the expected completion date is September 30, 2021.

2020-8 Finding: Customer deposit refund was deposited twice by customer.

A customer deposit check was deposited twice by mobile deposit causing the customer to be overpaid.

Criteria:

Article VII, Section 14(A) of the LA Constitution of 1974 provides that funds, credit, property or things of value of the State of any political subdivision shall not be loaned, pledged, or donated to or for any person, association or corporations.

Cause of Condition:

A customer deposit refund check was deposited by mobile device twice and because management failed to reconcile cash to bank statements, the error was not discovered until the audit.

Effect of Condition:

Money may be disbursed unnecessarily and cause the City to be out of compliance with Article VII Section 14(A).

CITY OF RAYNE, LOUISIANA

Schedule of Findings and Corrective Action Plan (continued)
For the Year Ended September 30, 2020

2020-8 Finding: Customer deposit refund was deposited twice by customer. (Continued)

Recommendation:

Management should ensure that all funds are properly disbursed and accounted for.

Corrective Action Plan:

The City will ensure that all funds are properly disbursed and accounted for and that bank reconciliations are prepared timely. Annette Cutrera is the responsible party and the expected completion date is September 30, 2021.

2020-9 Finding: Non-Compliance with bond requirements.

The City failed to have a bond sinking fund and failed to make the required monthly transfers.

Criteria:

The bond agreement contains bond compliance criteria that the City agrees to comply with when they sign the agreement.

Cause of Condition:

The City failed to comply with the criteria mandated by the bond issue.

Effect of Condition:

The City's noncompliance could violate the bond agreement.

Recommendation:

The City should promptly remedy the non-compliance and monitor bond compliance requirements more closely in the future.

Corrective Action Plan:

The City will review bond compliance requirements and make sure that the City is in compliance. Annette Cutrera is the responsible party and the expected completion date is September 30, 2021.