

CITY OF RAYNE, LOUISIANA

Financial Report

Year Ended September 30, 2019

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
 BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	6
Statement of activities	7
 FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet – governmental funds	10
Reconciliation of the governmental funds balance sheet to the statement of net position	11
Statement of revenues, expenditures, and changes in fund balances- governmental funds	12
Reconciliation of statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	13
Statement of net position – proprietary fund	14
Statement of revenues, expenses, and changes in net position – proprietary fund	15
Statement of cash flows – proprietary fund	16-17
 Notes to basic financial statements	 18-50
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedules:	
General Fund	52-53
Sales Tax Fund	54
Schedule of employer OPEB Contributions	55
Schedule of Changes in Net OPEB liability and related ratios	56
Schedule of employer's proportionate share of net pension liability	57
Schedule of employer contributions	58
Notes to employer's proportionate share of net pension liability and Schedule of employer contributions	59
 OTHER SUPPLEMENTARY INFORMATION	
OTHER FINANCIAL INFORMATION	
Major Governmental Funds-	
General Fund – budgetary comparison schedule- expenditures	61-64
Non-Major Governmental Funds- Budgetary comparison schedules	
Youth Recreation Fund	65
Section 8 Fund	66
Unemployment Compensation Fund	67
Veteran's Park	68
LCDBG Fund	69
Enterprise Funds –	
Utility Fund	70-73
Sanitation Fund	74

TABLE OF CONTENTS (continued)

	Page
Nonmajor Governmental Funds-	
Combining balance sheet	75
Combining statement of revenues, expenditures, and changes in fund balances	76
Combined schedule of long-term debt	77
Schedule of insurance in force (unaudited)	78
Combined schedule of investments-all funds	79
Schedule of compensation, benefits, and other payments to agency head or CEO	80
 STATISTICAL SECTION	81-84
 COMPLIANCE, INTERNAL CONTROL, AND OTHER INFORMATION	
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 <i>Government Auditing Standards</i>	86-87
Schedule of corrective action taken on prior year findings	88-89
Schedule of findings and corrective action plan	90-93

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

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, 2019, 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, 2019, 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, 2019, 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, 2019, 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 30, 2020, 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 30, 2020

Basic Financial Statements

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

CITY OF RAYNE, LOUISIANA
STATEMENT OF NET POSITION
For the Year Ended September 30, 2019

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets			
Cash and interest bearing deposits	\$ 2,291,621	\$ 1,555,283	\$ 3,846,904
Receivables	168,615	1,064,386	1,233,001
Internal balances	-	-	-
Due from governmental units	-	-	-
Prepaid items	-	71,312	71,312
Other	-	10,000	10,000
Inventory	-	243,036	243,036
Total Current Assets	<u>\$ 2,460,236</u>	<u>\$ 2,944,017</u>	<u>\$ 5,404,253</u>
Noncurrent Assets			
Restricted assets	\$ 275,145	\$ 523,944	799,089
Capital assets (net)	6,067,944	8,637,425	14,705,369
Construction in progress	-	-	-
Total Noncurrent Assets	<u>\$ 6,343,089</u>	<u>\$ 9,161,369</u>	<u>\$ 15,504,458</u>
TOTAL ASSETS	<u>\$ 8,803,325</u>	<u>\$ 12,105,386</u>	<u>\$ 20,908,711</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow of resources related to pensions	<u>\$ 692,528</u>	<u>\$ 476,804</u>	<u>\$ 1,169,332</u>
LIABILITIES			
Current Liabilities			
Accounts, salaries, and other payments	\$ 294,286	\$ 637,166	\$ 931,452
Bonds payable	-	112,000	112,000
Deferred revenues	-	-	-
Internal balances	-	-	-
Current lease payable	-	-	-
Other current liabilities	16,805	-	16,805
Total Current Liabilities	<u>\$ 311,091</u>	<u>\$ 749,166</u>	<u>\$ 1,060,257</u>
Noncurrent Liabilities			
Compensated absences	\$ 170,383	\$ 250,577	420,960
Net OPEB obligation	7,198,586	-	7,198,586
Customer deposits	-	360,447	360,447
Bonds payable	-	461,155	461,155
Net pension liability	3,643,753	1,228,421	4,872,174
Total Noncurrent Liabilities	<u>\$ 11,012,722</u>	<u>\$ 2,300,600</u>	<u>\$ 13,313,322</u>
TOTAL LIABILITIES	<u>\$ 11,323,813</u>	<u>\$ 3,049,766</u>	<u>\$ 14,373,579</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	<u>\$ 132,431</u>	<u>\$ 169,431</u>	<u>\$ 301,862</u>
NET POSITION			
Invested in capital assets, net of related debt	\$ 6,067,944	\$ 8,637,425	\$ 14,705,369
Restricted for:			
Debt service	-	1,038	1,038
Customer deposits	-	360,447	360,447
Other purposes	-	-	-
Unrestricted	(8,028,335)	364,083	(7,664,252)
TOTAL NET POSITION	<u><u>\$ (1,960,391)</u></u>	<u><u>\$ 9,362,993</u></u>	<u><u>\$ 7,402,602</u></u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2019

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes of Primary Government		
	Operating						
	Expenses	Charges for Services	Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Government Activities:							
General government	\$ 2,067,225	\$ 333,382	\$ 323,642	\$ -	\$ (1,410,201)	\$ -	\$ (1,410,201)
Public safety	2,235,425	236,383	8,769	-	(1,990,273)	-	(1,990,273)
Public works	1,247,213	-	-	-	(1,247,213)	-	(1,247,213)
Storm related expenses	-	-	-	-	-	-	-
Cultural and recreation	645,797	171,519	585,283	-	111,005	-	111,005
Community development	429,846	-	-	-	(429,846)	-	(429,846)
Interest on long-term debt	-	-	-	-	-	-	-
Total government activities	\$ 6,625,506	\$ 741,284	\$ 917,694	\$ -	\$ (4,966,528)	\$ -	\$ (4,966,528)
Business-type activities							
City water and lights	\$ 8,781,058	\$ 9,350,549	\$ -	\$ -	-	\$ 569,491	\$ 569,491
Sewerage	785,410	802,470	-	-	-	17,060	17,060
Storm related expenses	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-
Total business-type activities	\$ 9,566,468	\$ 10,153,019	\$ -	\$ -	\$ -	\$ 586,551	\$ 586,551
Total Primary Government	\$ 16,191,974	\$ 10,894,303	\$ 917,694	\$ -	\$ (4,966,528)	\$ 586,551	\$ (4,379,977)
General Revenues and Transfers:							
Property taxes levied for general purpose					\$ 240,416	\$ -	\$ 240,416
Property taxes levied for youth recreation					169,303	-	169,303
Sales taxes levied for general purposes - Beer & Sales					2,422,358	-	2,422,358
Franchise taxes					96,436	-	96,436
Gaming revenues					330,386	-	330,386
Grants and contributions not restricted to specific programs					-	-	-
Investment earnings					5,146	3,222	8,368
Other general revenues					320,108	1,290	321,398
Transfers					1,367,371	(1,367,371)	-
Total General Revenues and Transfers					\$ 4,951,524	\$ (1,362,859)	\$ 3,588,665
Change in Net Position					(15,004)	(776,308)	(791,312)
Prior Period Adjustment					682,496	252,430	934,926
Net position-beginning of year					(2,627,883)	9,886,871	7,258,988
Net position-ending					\$ (1,960,391)	\$ 9,362,993	\$ 7,402,602

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, 2019

	GENERAL FUND	SALES TAX FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 954,228	\$ 1,205,060	\$ 132,333	\$ 2,291,621
Investments	109,010	-	166,135	275,145
Due from other funds	-	-	-	-
Other assets	-	-	-	-
Other receivables	69,200	98,504	911	168,615
TOTAL ASSETS	\$ 1,132,438	\$ 1,303,564	\$ 299,379	\$ 2,735,381
LIABILITIES & FUND BALANCES				
Liabilities				
Accounts payable	\$ 115,215	\$ -	\$ 7,220	\$ 122,435
Accrued liabilities	147,514	6,543	17,582	171,639
Due to other funds	-	-	-	-
Due to other governments	215	-	-	215
Other liabilities	16,805	-	-	16,805
TOTAL LIABILITIES	\$ 279,749	\$ 6,543	\$ 24,802	\$ 311,094
Fund Balance				
Restricted	\$ 117,307	\$ -	\$ 274,577	\$ 391,884
Assigned	-	1,297,021	-	1,297,021
Unassigned	735,382	-	-	735,382
TOTAL FUND BALANCE	\$ 852,689	\$ 1,297,021	\$ 274,577	\$ 2,424,287
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,132,438	\$ 1,303,564	\$ 299,379	\$ 2,735,381

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, 2019

Total Fund Balances for governmental funds at September 30, 2019		\$ 2,424,287
Capital assets used in governmental activities that are not financial resources and, therefore, are not not reported in the governmental funds. Those assets consist of:		
Governmental capital assets	\$ 14,762,556	
Less: Accumulated depreciation	<u>(8,694,612)</u>	6,067,944
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	(7,198,586)	
Compensated absences	<u>(170,381)</u>	(7,368,967)
Rounding		1
Prior Period Adjustment		(682,496)
Deferred Outflows	\$ 692,528	
Net pension liability	(2,961,257)	
Deferred inflows	<u>(132,431)</u>	(2,401,160)
Net Position of Governmental Activities at September 30, 2019		<u>\$ (1,960,391)</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, 2019

	GENERAL FUND	SALES TAX FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes				
Ad valorem	\$ 240,416	\$ -	\$ 169,303	\$ 409,719
Sales and use	-	2,408,832	-	2,408,832
Other taxes	96,436	-	-	96,436
Licenses and permits	333,382	-	-	333,382
Intergovernmental revenues	412,771	-	-	412,771
Federal grants	2,907	-	580,283	583,190
State grants	316,104	-	-	316,104
Charges for services	75,010	-	96,509	171,519
Fines and forfeitures	123,391	-	-	123,391
Investment earnings	3,331	1,056	759	5,146
Other revenues	195,378	-	187,263	382,641
Total Revenues	\$ 1,799,126	\$ 2,409,888	\$ 1,034,117	\$ 5,243,131
EXPENDITURES				
General government	\$ 1,519,870	\$ 58,330	\$ -	\$ 1,578,200
Public safety	2,213,511	-	-	2,213,511
Public works	1,162,156	-	-	1,162,156
Public works - Storm related expenses	-	-	-	-
Cultural and recreation	418,505	-	493,992	912,497
Urban redevelopment and housing	-	-	776,031	776,031
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	\$ 5,314,042	\$ 58,330	\$ 1,270,023	\$ 6,642,395
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,514,916)	\$ 2,351,558	\$ (235,906)	\$ (1,399,264)
OTHER FINANCING SOURCES (USES)				
Proceeds from Issuance of debt	\$ -	\$ -	\$ -	\$ -
Transfers in	3,405,000	-	237,371	3,642,371
Transfers out	-	(2,225,000)	(50,000)	(2,275,000)
Payment to refunded debt	-	-	-	-
Service agent	-	-	-	-
Total Other Financing Sources and Uses	\$ 3,405,000	\$ (2,225,000)	\$ 187,371	\$ 1,367,371
Net Change in Fund Balance	\$ (109,916)	\$ 126,558	\$ (48,535)	\$ (31,893)
Fund balances - beginning	962,605	1,170,463	323,111	2,456,179
Fund balances - ending	\$ 852,689	\$ 1,297,021	\$ 274,576	\$ 2,424,286

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, 2019

Total net changes in fund balances at September 30, 2019		
for statement of revenues, expenditures and changes in fund balances	\$	(31,893)

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.

\$ 881,610

Depreciation expense for the period ended September 30, 2019

(391,356)

490,254

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.

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.

Increase in Compensated Allowances	(17,243)
Transfer of Assets to Proprietary Fund	-
Loss on Disposal of Assets	(2,503)
Miscellaneous Adjustment	-

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.

653,592

Net change in pension liability and deferred inflows

(1,107,211)

Total changes in net position at September 30, 2019
for statement of activities

\$ (15,004)

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, 2019

	BUSINESS-TYPE ACTIVITIES		
	Enterprise Funds		
	UTILITY FUND	SEWER FUND	TOTAL
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 554,195	\$ 1,001,088	\$ 1,555,283
Receivables (net of allowances for uncollectibles)	938,165	126,221	1,064,386
Due from other funds	-	-	-
Inventory	241,108	1,928	243,036
Prepaid items	71,312	-	71,312
Other assets	10,000	-	10,000
Total Current Assets	\$ 1,814,780	\$ 1,129,237	\$ 2,944,017
Non-Current Assets			
Restricted Assets			
Cash	\$ 50,345	\$ -	\$ 50,345
Customer deposits	472,561	-	472,561
Bond reserve account	-	1,038	1,038
Capital assets net of accumulated depreciation	4,030,036	4,607,389	8,637,425
Total Non-Current Assets	\$ 4,552,942	\$ 4,608,427	\$ 9,161,369
TOTAL ASSETS	\$ 6,367,722	\$ 5,737,664	\$ 12,105,386
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	\$ 395,032	\$ 81,772	\$ 476,804
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 526,600	\$ 18,319	\$ 544,919
Accrued liabilities	92,247	-	92,247
Due to other funds	-	-	-
Other liabilities	-	-	-
Current lease payable	-	-	-
Payable from restricted assets			
Customer deposits	360,447	-	360,447
Revenue bonds	112,000	-	112,000
Total Current Liabilities	\$ 1,091,294	\$ 18,319	\$ 1,109,613
Non-Current Liabilities			
Compensated absences	\$ 208,472	\$ 42,105	\$ 250,577
Leases payable	-	-	-
General obligation bonds			
Revenue bonds	116,000	345,155	461,155
Net pension liability	1,111,630	116,791	1,228,421
Total Non-Current Liabilities	\$ 1,436,102	\$ 504,051	\$ 1,940,153
TOTAL LIABILITIES	\$ 2,527,396	\$ 522,370	\$ 3,049,766
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	131,642	37,789	169,431
NET POSITION			
Invested in capital assets, net of related debt	\$ 4,030,036	\$ 4,607,389	\$ 8,637,425
Restricted for debt service	-	1,038	1,038
Restricted for customer deposits	360,447	-	360,447
Unrestricted	(286,767)	650,850	364,083
TOTAL NET POSITION	\$ 4,103,716	\$ 5,259,277	\$ 9,362,993

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, 2019

	BUSINESS-TYPE ACTIVITIES		
	Enterprise Funds		TOTAL
	UTILITY FUND	SEWER FUND	
Operating Revenues			
Charges for services:			
Electricity sales	\$ 7,931,042	\$ -	\$ 7,931,042
Sewer charges	-	802,470	802,470
Water sales	557,870	-	557,870
Other services	861,637	-	861,637
Total Operating Revenues	\$ 9,350,549	\$ 802,470	\$ 10,153,019
Operating Expenses			
Electric generating	\$ 5,621,606	\$ -	\$ 5,621,606
Electric distribution	568,184	-	568,184
Water department	399,428	-	399,428
Water treatment plant	574,252	-	574,252
Overhead	1,550,801	-	1,550,801
Warehouse	66,787	-	66,787
Sewer department	-	784,849	784,849
Total Operating Expenses	\$ 8,781,058	\$ 784,849	\$ 9,565,907
Operating Income	\$ 569,491	\$ 17,621	\$ 587,112
Nonoperating Revenues (Expenses)			
Intergovernmental			
State grants	\$ -	-	\$ -
Federal grants	-	-	-
Interest earnings	3,220	2	3,222
Interest expense	(8,521)	(561)	(9,082)
Loss on sale of equipment	-	-	-
Storm related expenses	-	-	-
Insurance claims	-	-	-
Miscellaneous	9,382	429	9,811
Total Nonoperating Revenues (Expenses)	\$ 4,081	\$ (130)	\$ 3,951
Income Before Contributions and Transfers	\$ 573,572	\$ 17,491	\$ 591,063
Capital Contributions	\$ -	\$ -	\$ -
Transfers in	-	-	-
Transfers out	(875,000)	(492,371)	(1,367,371)
Total Transfers and Contributions	\$ (875,000)	\$ (492,371)	\$ (1,367,371)
Change in Net Position	\$ (301,428)	\$ (474,880)	\$ (776,308)
Prior Period Adjustment	\$ 233,732	\$ 18,698	\$ 252,430
Total Net Position - Beginning	4,171,411	5,715,460	9,886,871
Total Net Position - Ending	\$ 4,103,715	\$ 5,259,278	\$ 9,362,993

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended September 30, 2019

	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	(7,142,168)	(544,585)	(7,686,753)
Cash payments to employees for services	(1,262,368)	(187,469)	(1,449,837)
Other operating revenues	861,637	-	861,637
Net cash provided by operating activities	\$ 934,859	\$ 310,449	\$ 1,245,308
Cash flows from non-capital financing activities:			
Operating transfers-out to other funds	\$ (875,000)	\$ (492,371)	\$ (1,367,371)
Operating transfers-in from other funds	-	-	-
Other non-operating revenue	9,382	429	9,811
Grants	-	-	-
Amounts to (from) other funds	-	35	35
Net receipts (payments) of customers' deposits	(473)	-	(473)
Net cash used for non-capital financing activities	\$ (866,091)	\$ (491,907)	\$ (1,357,998)
Cash flows from capital and related financing activities:			
Principal note/lease payments	\$ (754)	\$ -	\$ (754.00)
Acquisition and construction of capital assets	(56,500)	(8,699)	(65,199)
Proceeds from revenue bonds	-	236,203	236,203
Principal paid on revenue bonds	(108,000)	-	(108,000)
Interest paid on revenue bonds	(8,521)	(561)	(9,082)
Net cash used for capital and related financing activities	\$ (173,775)	\$ 226,943	\$ 53,168

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, 2019

	Business-Type Activities Enterprise Funds		
	UTILITY	SANITATION	TOTAL
Cash flows from investing activities			
Net investment activity		\$ -	
Interest on investments	3,220	2	3,222
Net cash provided (used) by investing activities	\$ 3,220	\$ 2	\$ 3,222
Net increase (decrease) in cash	\$ (101,787)	\$ 45,487	\$ (56,300)
Cash, beginning of year	655,982	955,601	1,611,583
Cash, end of year	\$ 554,195	\$ 1,001,088	\$ 1,555,283
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 569,491	\$ 17,621	\$ 587,112
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	\$ 290,348	\$ 270,468	\$ 560,816
Net provision for uncollectible accounts	-	-	-
Changes in assets and liabilities:			
Decrease (Increase) in receivables	87,463	3,270	90,733
Decrease (Increase) in inventory	(7,307)	329	(6,978)
Decrease (Increase) in prepaid expenses	(1,463)		(1,463)
Decrease (Increase) in other assets	16,682	16,022	32,704
(Decrease) Increase in accounts payable	(20,355)	2,739	(17,616)
(Decrease) Increase in other payables			-
Total adjustments	\$ 365,368	\$ 292,828	\$ 658,196
Net cash provided by operating activities	\$ 934,859	\$ 310,449	\$ 1,245,308

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

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, 2019. 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.

CITY OF RAYNE, LOUISIANA

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, 2019 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.

CITY OF RAYNE, LOUISIANA

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, $\frac{1}{2}$ 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 \$7,402,602 (total net position), of which \$(7,664,252) is unrestricted net position. The City’s net position is comprised of (\$1,960,391) from governmental activities and \$9,362,993 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, 2019

	For year ended September 30, 2019					For year ended September 30, 2018			
	General Fund	Sales Tax Fund	Other Governmental Funds	Total		General Fund	Sales Tax Fund	Other Governmental Funds	Total
Restricted	\$ 117,307	\$ -	\$ 274,577	\$ 391,884	Restricted	\$ 131,116	\$ -	\$ 323,111	\$ 454,227
Assigned	-	1,297,021	-	1,297,021	Assigned	-	1,170,464	-	1,170,464
Unassigned	735,382	-	-	735,382	Unassigned	831,490	-	-	831,490
Total Fund Balances	\$ 852,689	\$ 1,297,021	\$ 274,577	\$ 2,424,287	Total Fund Balances	\$ 962,606	\$ 1,170,464	\$ 323,111	\$ 2,456,181

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

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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, 2019 was submitted to the City Council on September 10, 2018.
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, 2019 was adopted as Ordinance No. 2008 on September 10, 2018.
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, 2019 was amended on September 9, 2019.
5. All budgetary appropriations lapse at the end of each fiscal year.
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.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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, 2019, the City had cash and interest-bearing deposits (bank balances) as follows:

Demand Deposits and Interest Bearing	
Demand Deposits	\$ 4,309,406
Passbook savings, Money	
Market accounts and	
Time Deposits	748,743
Total Bank Balances	<u>\$ 5,058,149</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 \$7,489,756 at September 30, 2019. 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, 2019 the carrying amount of the City's deposits was \$4,668,309 and the bank balance was \$5,058,149. As of September 30, 2019, 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.

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.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

For the year ended September 30, 2019, taxes of 12.10 mills were levied on property with assessed valuations totaling \$33,860,545 and were dedicated as follows:

General corporate purposes	7.10 mills
Youth recreation	5.00 mills

Total taxes levied were \$409,718 according to the Acadia Parish Tax Assessor's tax roll. There were no ad valorem taxes receivable at September 30, 2019.

Note 4 Receivables

Receivables at September 30, 2019 totaled \$1,233,001 and consist of the following:

	Governmental	Enterprise	
	Funds	Funds	Total
Accounts Receivable		\$ 1,919,916	\$ 1,919,916
Allowance for Uncollectible Amounts		(898,427)	(898,427)
Franchise Tax	7,084	-	7,084
City Fines	1,595	-	1,595
Video Poker	36,964	-	36,964
Sales Tax	98,504	-	98,504
Property Tax	911	-	911
State of Louisiana	13,472	-	13,472
Other Receivable	10,085	42,897	52,982
Total Receivables Per Fund Financials	<u>\$ 168,615</u>	<u>\$ 1,064,386</u>	<u>\$ 1,233,001</u>
Due from Other Governmental Units (Note 5)	<u>\$ (54,247)</u>	<u>\$ -</u>	<u>\$ (54,247)</u>
Total Receivables Per Government-Wide Financials	<u><u>\$ 114,368</u></u>	<u><u>\$ 1,064,386</u></u>	<u><u>\$ 1,178,754</u></u>

Note 5 Due from Other Governmental Units

Amounts due from governmental units included in receivables at September 30, 2019 consisted of the following:

Amount due from the State of Louisiana for beer tax revenues earned during fiscal year ending September 30, 2019	\$ 3,570
Amount due from the State of Louisiana for video poker revenues earned during fiscal year ending September 30, 2019	36,964
Amount due from Rayne City Court for fines and supplemental pay for fiscal year ending September 30, 2019	3,811
Amount due from the State of Louisiana for prisoner reimbursements for September 30, 2019	<u>9,902</u>
Total due from other governmental units	<u><u>\$ 54,247</u></u>

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 6 Restricted Assets – Proprietary Fund Type

Restricted assets consisted of the following at September 30, 2019:

Revenue bond reserve account (M&O)	\$ 161,003
Revenue bond reserve accounts (SM)	1,038
Customers' deposits (M&O)	<u>361,903</u>
Total restricted assets	<u>\$ 523,944</u>

Note 7 Capital Assets

Capital asset activity for the year ended September 30, 2019 was as follows:

	Balance 10/01/2018	Additions	Reductions	Balance 09/30/2019
Governmental activities:				
Capital assets not being depreciated:				
Construction in Progress	\$ 133,300	\$ -	\$ 133,300	\$ -
Other capital assets:				
Buildings	2,169,133	210,235	-	2,379,368
Improvement other than buildings	1,703,405	-	-	1,703,405
Infrastructure	8,309,825	615,070	-	8,924,895
Equipment, furniture and fixtures	994,398	160,006	-	1,154,404
Vehicles	578,950	29,598	-	608,548
Total	<u>\$ 13,889,011</u>	<u>\$ 1,014,909</u>	<u>\$ 133,300</u>	<u>\$ 14,770,620</u>
Less accumulated depreciation				
Buildings	\$ 1,450,770	\$ 54,484	\$ -	\$ 1,505,254
Improvements other than buildings	1,171,506	53,956	-	1,225,462
Infrastructure	4,468,723	196,229	-	4,664,952
Equipment, furniture and fixtures	767,564	55,054	-	822,618
Vehicles	450,255	31,632	2,503	484,390
Total accumulated depreciation	<u>\$ 8,308,818</u>	<u>\$ 391,355</u>	<u>\$ 2,503</u>	<u>\$ 8,702,676</u>
Governmental activities, Capital assets, net	<u>\$ 5,580,193</u>	<u>\$ 623,554</u>	<u>\$ 130,797</u>	<u>\$ 6,067,944</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 35,405
Public Safety	40,801
Public Works	212,893
Cultural & recreation	102,256
Community development	-
Total depreciation expense	<u>391,355</u>

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

	Balance 10/1/2018	Additions / Reclass	Deletions / Reclass	Balance 9/30/2019
Business-Type activities:				
Capital assets not being depreciated:				
Land – CW&L	\$ 53,470	\$ 15,000	\$ -	\$ 68,470
Land – Sewer	500,000	-	-	500,000
Construction in progress	-	-	-	-
Other capital assets:				
Buildings – CW&L	\$ 3,127,703	\$ -	\$ -	\$ 3,127,703
Electric System & Imp	4,234,853	41,500	-	4,276,353
High Demand Plant facility	2,313,866	-	-	2,313,866
Water System & Imp	4,779,913	-	-	4,779,913
Machinery & Equip – CW&L	1,578,187	-	-	1,578,187
Sewer System	11,644,936	-	-	11,644,936
Machinery & Equip - Sewer	264,415	8,699	-	273,114
Totals	<u>\$ 28,497,343</u>	<u>\$ 65,199</u>	<u>\$ -</u>	<u>\$ 28,562,542</u>
Less accumulated depreciation				
Building – CW&L	\$ 1,692,659	\$ 67,799	\$ -	\$ 1,760,458
Electric System & Imp	3,994,926	3,719	-	3,998,645
High Demand Plant facility	2,213,431	7,359	-	2,220,790
Water System & Imp	2,768,723	87,607	-	2,856,330
Machinery & Equip – CW&L	1,153,730	123,864	-	1,277,594
Sewer System	7,322,775	261,638	-	7,584,413
Machinery & Equip - Sewer	218,057	8,830	-	226,887
	<u>\$ 19,364,301</u>	<u>\$ 560,816</u>	<u>\$ -</u>	<u>\$ 19,925,117</u>
Business-type activities, Capital assets, net				<u>\$ 8,637,425</u>

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

Utility	\$290,348
Sewer	270,468
Total depreciation expense	<u>\$560,816</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, 2019:

	Governmental Activities	Business-type Activities	Total
Accounts payable	\$122,435	\$544,919	\$667,354
Other payables	171,851	92,247	264,098
Totals	<u>\$294,286</u>	<u>\$637,166</u>	<u>\$931,452</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, 2019:

	Series 2011	Series 2018	Total
Bonds Payable at 9/30/18	\$ 336,000	\$ 108,000	\$ 444,000
Additions	-	237,155	237,155
Reductions	108,000	-	108,000
Totals	<u>\$ 228,000</u>	<u>\$ 345,155</u>	<u>\$ 573,155</u>

Long-term debt payable at September 30, 2019 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)	\$228,000
Less current portion	112,000
Long-term bond payable	<u>\$ 116,000</u>

Interest paid for the year ended September 30, 2019 was \$8,521.

\$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)	\$345,155
---	-----------

Interest paid for the year ended September 30, 2019 was \$561.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

The City incurred debt and issued one million dollars (\$1,000,000) taxable utility revenue bonds, series 2018 for the purpose of rehabilitating portions of the collection system to help reduce infiltration and inflow. Bond interest is payable March 1 and September 30 of each year commencing on September 1, 2018. The series 2018 Bond totals \$345,155 at September 30, 2019. The City is still drawing on bond issue and as of September 30, 2019 no principal payments were due.

The bonds are due as follows:

Year Ending September 30	Series 2011	
	Principal Payments	Interest Payments
2020	112,000	5,195
2021	116,000	1,752
	<u>\$ 228,000</u>	<u>\$ 6,947</u>

Note 10 Flows of Funds; Restrictions on Use -- Utilities Revenues

Revenue Bonds:

- A. Under the terms of the bond indentures on outstanding Sewer Utility Revenue Bonds, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Utility System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:
- B. Each month, they will be set aside into a fund called the "Utilities Revenue Bond Debt Service Fund" an amount constituting 1/12th of the next maturing installment of principal and interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.
- C. There shall also be set aside into a "Utilities Revenue Bond Debt Service Fund" an amount equal to 1/6th of the interest and administration fee, if any, required to be paid and 1/12th of the principal falling due on or before the 20th of each month into the Sinking Fund during the current fiscal year until there shall have been accumulated in the Reserve Account an amount equal to the maximum principal and interest requirements in any one maturity year. Such amounts may be used only for the payment of maturing bonds and interest and shall transfer funds directly to owners not less than 3 days prior to each principal and interest date.
- D. Funds will also be set aside into a "Depreciation and Contingency Fund". Money in this fund may be used to care for depreciation, extensions, improvements, and replacements to the system, which are necessary to keep the system in operating condition. The City must transfer after making payments to (A), (B) and (C) monthly on or before the 20th a sum equal to 5% of the net revenues or an amount equal to 25% of the amount scheduled that month for payment to the sinking fund, whichever is greater until the account reaches \$50,000. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.
- E. The City of Rayne was in compliance with all significant limitations and restrictions in the bond indentures at September 30, 2019.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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 \$122,500. The supplemental pay was forwarded directly to the officers.

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, 2019 was as follows:

	Utilities	Sewerage	Total Enterprise Fund
Charges for services and other operating revenues	\$ 9,350,549	\$ 802,470	\$ 10,153,019
Operating expenses			
Depreciation	\$ 290,348	\$ 270,468	\$ 560,816
Other expenses	8,490,710	514,381	9,005,091
Total operating expenses	\$ 8,781,058	\$ 784,849	\$ 9,565,907
Operating income (loss)	\$ 569,491	\$ 17,621	\$587,112

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, 2019 follows:

Charles "Chuck" Robichaux, Mayor	\$ 76,000
Lendell "Pete" Babineaux, Mayor pro-tem	7,560
Calise Doucet	7,200
Curtrese Minix	7,200
Kenneth Guidry	7,200
James "Jimmy" Fontenot	7,200
	<u>\$ 112,360</u>

Notes to the Basic Financial Statements

Note 15

Interfund Transactions

Interfund receivables and payables consisted of the following at September 30, 2019:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental Funds		
General Fund	\$ -	\$ -
Proprietary Funds		
Utility Fund	-	-
Sewer Fund	-	-
	<u>\$ -</u>	<u>\$ -</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, 2019:

	<u>Interfund Transfers in</u>	<u>Interfund Transfers out</u>
Major Funds		
Governmental Funds		
General Fund	\$ 3,405,000	\$ -
Sales Tax		2,225,000
Other Non-major governmental funds	237,371	50,000
Proprietary Fund		
Utility Fund		875,000
Sewer Fund	-	492,371
Total	<u>\$ 3,642,371</u>	<u>\$ 3,642,371</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, 2019.

CITY OF RAYNE, LOUISIANA

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	\$ 6,257
Enterprise Fund - Water	10,419	1,042	2,952
Enterprise Fund - Electric	13,770	1,377	3,901
Sewer Fund	3,518	352	997
Total	<u>\$ 51,170</u>	<u>\$ 5,117</u>	<u>\$ 14,107</u>

For the City's fiscal year ended September 30, 2019, the interest expense related to the lease in the Enterprise Fund was \$4.

Note 17

Contingencies

As of September 30, 2019 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

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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.

CITY OF RAYNE, LOUISIANA
Notes to the Basic Financial Statements

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.

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

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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.

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 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

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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 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.

Notes to the Basic Financial Statements

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 AdjustmentsMERS

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.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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, 2020 and 2019, the actual employer contribution rate was 13.75% and 14.00%, respectively, for Plan B. For the year ending/ended June 30, 2020 and 2019, 2018, the actuarially determined employer contribution rate was 15.34% and 13.73%, respectively, 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 \$284,160 for the year ended September 30, 2019.

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.

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, 2020 and 2019, the actual employer contribution rate was 32.50% and 32.25%, respectively. For the year ending/ended June 30, 2020 and 2019, the actuarially determined employer contribution rate was 33.69% and 32.55%, 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 \$385,380 for the year ended September 30, 2019, including \$96,102 of employer contributions and related interest for buyback of service credit.

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, 2019, 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.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

The rates in effect during the year ending/ended June 30, 2020 and 2019 related to the City were as follows:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate 2019	Employer Contribution Rate 2020
Judges hired before 1/1/11	Closed	11.5%	40.1%	42.4%

The City's contractually required composite contribution rate for the period from October 1, 2018 to June 30, 2019 was 40.1%, and for the period from July 1, 2019 to September 30, 2019 was 42.4%, 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 \$9,773 for the year ended September 30, 2019.

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, 2019 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.

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, 2019 and the change compared to the June 30, 2018 proportion.

	Net Pension Liability at June 30, 2019	Proportion at June 30, 2019	Increase (Decrease) to June 30, 2018 Proportion
MERS	\$ 2,320,825	2.652938%	-0.135312%
MPERS	2,467,309	0.277680%	0.023837%
LASERS	84,041	0.001160%	-0.000051%
	<u>\$ 4,872,175</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, 2019.

	Pension Expense	Amortization	Total
MERS	\$ 499,151	\$ (286,817)	\$ 212,334
MPERS	434,113	(273,782)	160,331
LASERS	10,836	(11,443)	(607)
	<u>\$ 944,100</u>	<u>\$ (572,042)</u>	<u>\$ 372,058</u>

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

MERS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 102,939
Changes in assumptions	141,477	-
Net difference between projected and actual earnings on pension plan investments	244,441	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	29,881	67,587
Employer contributions subsequent to the measurement date	76,412	-
Total MERS	\$ 492,211	\$ 170,526

MPERS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,177	\$ 75,908
Changes in assumptions	138,263	-
Net difference between projected and actual earnings on pension plan investments	160,297	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	191,516	52,476
Employer contributions subsequent to the measurement date	174,376	-
Total MPERS	\$ 669,629	\$ 128,384

LASERS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 516	\$ 175
Changes in assumptions	720	-
Net difference between projected and actual earnings on pension plan investments	2,904	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	612	2,777
Employer contributions subsequent to the measurement date	2,740	-
Total LASERS	\$ 7,492	\$ 2,952

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
MERS	\$ 492,211	\$ 170,526
MPERS	669,629	128,384
LASERS	7,492	2,952
	\$ 1,169,332	\$ 301,862

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, 2020.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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

	Subsequent Contributions
MERS	\$ 76,412
MPERS	174,376
LASERS	2,740
	<u>\$ 253,528</u>

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
2020	\$ 146,154	\$ 153,946	\$ 758	\$ 300,858
2021	45,334	65,778	(845)	110,267
2022	32,549	107,125	799	140,473
2023	21,236	40,020	1,088	62,344
	<u>\$ 245,273</u>	<u>\$ 366,869</u>	<u>\$ 1,800</u>	<u>\$ 613,942</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 are as follows:

	MERS	MPERS	LASERS
Valuation Date	June 30, 2019	June 30, 2019	June 30, 2019
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	7.00% per annum.	7.125% net of investment expenses	7.60% per annum.
Inflation Rate	2.50% per annum.	2.50%	2.50% per annum.
Salary Increases	4.9% - 7.4%	0.75% - 4.75%	2.8% - 5.3%
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

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

			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>Annuitant and beneficiary mortality - RP-2000 Combined Healthy with Blue Collar Adjustment Sex District Tables projected to 2029 by Scale AA (set back 1 year for females).</p> <p>Employee mortality - RP-2000 Employee Table set back 4 years for males and 3 years for females</p> <p>Disabled lives mortality - RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females.</p>	<p>Non-disabled members - Mortality rates based on the RP-2014 Healthy Mortality Table with mortality improvement using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis.</p> <p>Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>
Termination, Disability, and Retirement	<p>Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.</p>	<p>Termination, disability, and retirement assumptions were projected based on a five-year (2010-2014) experience study of the System's members.</p>	<p>Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.</p>

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, 2019:

Asset Class	Target Allocation			Long-Term Expected Portfolio Real Rate of Return		
	MERS	MPERS	LASERS	MERS	MPERS	LASERS
Cash	-	-	-	-	-	0.24%
Domestic equity	50.0%	48.5%	23.0%	2.15%	3.28%	4.83%
International equity	-	-	32.0%	-	-	5.83%
Domestic fixed income	35.0%	31.5%	6.0%	1.51%	0.80%	2.79%
International fixed income	-	-	10.0%	-	-	4.49%
Alternative investments	15.0%	18.0%	22.0%	0.64%	1.06%	8.32%
Risk parity	-	-	7.0%	-	-	5.06%
Real assets	-	-	-	-	-	-
Total	100.0%	100.0%	100.0%	4.30%	5.14%	6.09%
Inflation				2.70%	2.75%	
Expected Arithmetic Nominal Return				7.00%	7.89%	

n/a - amount not provided by Retirement System

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Discount Rate

The discount rates used to measure the total pension liability for MERS, MPERS, and LASERS were 7.00%, 7.125%, and 7.60%, respectively for the year ended June 30, 2019. 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	6.00%	7.00%	8.00%
Share of NPL	\$ 3,093,063	\$ 2,320,825	\$ 1,667,721
MPERS			
Discount rate	6.125%	7.125%	8.125%
Share of NPL	\$ 3,437,775	\$ 2,467,309	\$ 1,653,186
LASERS			
Discount rate	6.60%	7.60%	8.60%
Share of NPL	\$ 106,070	\$ 84,041	\$ 65,434

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, 2019, the City recognized revenue as a result of support received from non-employer contributing entities of \$69,946 and \$55,931 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, 2019.

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, 2019, the City had payables due to MERS totaling \$29,324. Payables are the City's legally required contributions to the pension plans. Outstanding balances are applied the City's required monthly contributions.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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.

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 \$7,198,586 was measured as of September 30, 2019 and was determined by an actuarial valuation as of September 30, 2018 and rollforward using a measurement date of September 30, 2019.

Actuarial assumptions and other inputs- The total OPEB liability in the September 30, 2018 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	4.06%
Healthcare cost trends, flat annual	
Medical	5.00%
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 and is trending toward 4.00% in recent months. We selected 4.06% as this discount rate for this valuation. The RP-2000 Table without projection with 50%/50% unisex blend has been used.

The actual assumptions used in the September 30, 2018 valuation was based on the results of ongoing evaluations from July 1, 2009 to June 30, 2018.

CITY OF RAYNE, LOUISIANA
Notes to the Basic Financial Statements

Changes in Total OPEB Liability:

Balance at September 30, 2018	<u>\$ 6,845,665</u>
Changes for the year:	
Service Cost	213,842
Interest	275,171
Differences between expected and actual experience	-
Benefit payments and net transfers	<u>(136,092)</u>
Net changes	<u>352,921</u>
Balance due at September 30, 2019	<u><u>\$ 7,198,586</u></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 (4.00%) or 1-percentage-point higher (6.00%) than the current discount rate:

	1.0% Decrease <u>4.00%</u>	Current Discount Rate <u>5.00%</u>	1.0% Increase <u>6.00%</u>
Total OPEB Liability	\$ 5,840,789	\$ 7,198,586	\$ 9,052,868

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 (3.06%) of 1-percentage point higher (5.06) than the current healthcare trend rates:

	1.0% Decrease <u>3.06%</u>	Current Discount Rate <u>4.06%</u>	1.0% Increase <u>5.06%</u>
Total OPEB Liability	\$ 8,880,417	\$ 7,198,586	\$ 5,949,349

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

For the year ended September 30, 2019, the City recognized OPEB expense of \$489,013. At September 30, 2019, the City reported deferred inflows of resources related to OPEB for the differences between expected and actual experience.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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,	
2020	\$0
2021	\$0
2022	\$0
2023	\$0
2024	\$0

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- An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%.

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 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 4% annual investment return has been used in this valuation.

Mortality Rate- RPH-2014 Total Table with Projection MP-2017 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, 2019, 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.

The City of Rayne has evaluated subsequent events through June 30, 2020, the date which the financials were available to be issued.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 21 Prior Period Adjustment

Upon receipt of the new pension calculation as of September 30, 2019, it was noted that an error was made in the original posting of the liability. This resulted in a prior period adjustment of \$934,926 in which the General Fund accounted for \$682,496, Utility Fund \$233,732 and Sewer Fund \$18,699.

Note 22 Deficit in Net Position

The City has a deficit in unrestricted net position in Governmental Activities of (\$8,028,335) caused by the net pension liability of \$4,872,174 and the net OPEB obligation of \$7,198,586.

Required Supplemental Information

CITY OF RAYNE, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2019

	2019			Variance--
	Budget			Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes--				
Ad valorem	\$ 232,389	\$ 240,416	\$ 240,416	-
Franchise	82,314	89,512	96,436	6,924
	<u>\$ 314,703</u>	<u>\$ 329,928</u>	<u>\$ 336,852</u>	<u>\$ 6,924</u>
Intergovernmental revenue--				
Beer tax	\$ 9,599	\$ 13,690	\$ 13,526	(164)
Grants				
Federal	76,442	306,917	2,907	(304,010)
State	3,879	8,769	316,104	307,335
Housing authority payment in lieu of taxes	64,994	64,994	68,859	3,865
Video poker revenue	273,850	301,518	330,386	28,868
	<u>\$ 428,764</u>	<u>\$ 695,888</u>	<u>\$ 731,782</u>	<u>\$ 35,894</u>
Licenses and permits--				
Occupational licenses	\$ 288,411	\$ 311,725	\$ 314,077	\$ 2,352
Permits	16,882	16,575	19,305	2,730
	<u>\$ 305,293</u>	<u>\$ 328,300</u>	<u>\$ 333,382</u>	<u>\$ 5,082</u>
Charges for services				
Community center rent	\$ 76,245	\$ 64,195	\$ 75,010	\$ 10,815
Fines and forfeits	<u>\$ 97,966</u>	<u>\$ 105,123</u>	<u>\$ 123,391</u>	<u>\$ 18,268</u>
Interest on investments	<u>\$ 1,432</u>	<u>\$ 3,031</u>	<u>\$ 3,331</u>	<u>\$ 300</u>
Miscellaneous revenue--				
Museum Income	\$ -	\$ 100	\$ 100	\$ -
Police Jury	16,000	16,000	16,000	-
Sale of land	-	-	-	-
Sale of abandoned equipment	4,462	1,798	2,181	383
Prisoner reimbursements	63,511	101,309	112,992	11,683
Other	53,462	40,854	64,105	23,251
	<u>\$ 137,435</u>	<u>\$ 160,061</u>	<u>\$ 195,378</u>	<u>\$ 35,317</u>
Total Revenues	<u>\$ 1,361,838</u>	<u>\$ 1,686,526</u>	<u>\$ 1,799,126</u>	<u>\$ 112,600</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, 2019

	2019			Variance--
	Budget			Positive
	Original	Final	Actual	(Negative)
Expenditures:				
Current--				
General government	\$ 1,646,530	\$ 1,597,377	\$ 1,519,870	\$ 77,507
Public safety	2,077,954	2,175,953	2,213,511	(37,558)
Public works	1,168,828	1,392,817	1,162,156	230,661
Public works - Storm Related Expenses	-	-	-	-
Culture and recreation	452,679	561,104	418,505	142,599
Total expenditures	\$ 5,345,991	\$ 5,727,251	\$ 5,314,042	\$ 413,209
Excess (deficiency) of revenues over expenditures	\$ (3,984,153)	\$ (4,040,725)	\$ (3,514,916)	\$ 525,809
Other sources (uses):				
Operating transfers in--				
Sales tax fund	\$ 1,980,000	\$ 2,180,000	\$ 2,180,000	\$ -
Utility	1,535,000	875,000	875,000	-
Sewer maintenance	300,000	300,000	300,000	-
Unemployment compensation	-	-	50,000	50,000
Capital Lease	-	-	-	-
Operating transfers out--				
Certificate of Indebtedness				
Series 2003	-	-	-	-
Capital Lease	-	-	-	-
LCDBG	-	-	-	-
Total other sources	\$ 3,815,000	\$ 3,355,000	\$ 3,405,000	\$ 50,000
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (169,153)	\$ (685,725)	\$ (109,916)	\$ 575,809
Fund balance, beginning of year	991,267	1,122,339	962,605	(159,734)
Fund balance, end of year	\$ 822,114	\$ 436,614	\$ 852,689	\$ 416,075

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, 2019

	2019			Variance--
	Budget			Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes--				
Sales tax collections	\$ 2,194,009	\$ 2,317,372	\$ 2,445,833	\$ 128,461
Less fees and adjustments	(33,037)	(52,957)	(37,001)	15,956
Interest on investments	816	1,124	1,056	(68)
Miscellaneous income	-	-	-	-
Total revenues	<u>\$ 2,161,788</u>	<u>\$ 2,265,539</u>	<u>\$ 2,409,888</u>	<u>\$ 144,349</u>
Expenditures:				
Current--				
General government--				
Salaries	\$ 35,386	\$ 38,104	\$ 35,679	\$ 2,425
Insurance	16,138	15,286	14,213	1,073
Payroll taxes	2,572	2,647	2,578	69
Administrative charge--				
retirement system	7,813	5,334	4,954	380
Miscellaneous	525	1,444	906	538
Total expenditures	<u>\$ 62,434</u>	<u>\$ 62,815</u>	<u>\$ 58,330</u>	<u>\$ 4,485</u>
Excess of revenues over expenditures	<u>\$ 2,099,354</u>	<u>\$ 2,202,724</u>	<u>\$ 2,351,558</u>	<u>\$ 148,834</u>
Other sources (uses):				
Operating transfer (out)--				
General Fund	\$ (1,980,000)	\$ (2,180,000)	\$ (2,180,000)	\$ -
Youth Recreation	(45,000)	(45,000)	(45,000)	-
Veteran's Park	-	-	-	-
Total other sources (uses)	<u>\$ (2,025,000)</u>	<u>\$ (2,225,000)</u>	<u>\$ (2,225,000)</u>	<u>\$ -</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 74,354</u>	<u>\$ (22,276)</u>	<u>\$ 126,558</u>	<u>\$ 148,834</u>
Fund balance, beginning of year	<u>949,156</u>	<u>1,035,157</u>	<u>1,170,463</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,023,510</u>	<u>\$ 1,012,881</u>	<u>\$ 1,297,021</u>	<u>\$ 148,834</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, 2019

<u>Year ended September 30,</u>	<u>Contractually Determined Contribution</u>	<u>Contributions in Relation to Contractually Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
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, 2019

Total OPEB Liability	2018	2019
Service cost	\$ 205,499	\$ 213,842
Interest	269,745	275,171
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Benefit payments	(136,092)	(136,092)
Net changes	\$ 339,152	\$ 352,921
Total OPEB liability- beginning	6,506,513	6,845,665
Total OPEB liability- ending	6,845,665	7,198,586
Plan Fiduciary Net Position	-	-
Net OPEB Liability	<u>\$ 6,845,665</u>	<u>\$ 7,198,586</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%
Covered payroll	\$ 2,064,698	\$ 2,064,698
Net OPEB liability as a percentage of covered payroll	331.56%	348.65%

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, 2019

Fiscal Year Ended June 30	Employer Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer'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)					
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)					
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)					
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, 2019

Fiscal Year ended September 30,	Statutorily Required Contribution	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Louisiana State Employees' Retirement System (LASERS)					
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)					
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)					
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, 2019

Changes of Benefit Terms

For MERS and MPERS, there were no changes of benefit terms for the four years ended June 30, 2019.

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 7.275% 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 7.2% 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 7.65% 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, 2019

	2019			Variance--
	Budget		Actual	Positive
	Original	Final		(Negative)
General government:				
Administration--				
Salaries	\$ 146,632	\$ 142,873	\$ 147,196	\$ (4,323)
Payroll taxes	117,520	71,486	62,030	9,456
Group insurance	493,396	461,112	446,532	14,580
General insurance	233,724	277,846	309,981	(32,135)
Publishing and recording	20,316	16,314	15,189	1,125
Administrative expense--		-		
Retirement system	137,420	48,482	166,720	(118,238)
Legal and professional	61,353	22,576	23,233	(657)
City promotion	7,878	8,946	9,224	(278)
Convention expense	7,935	7,446	9,829	(2,383)
Uniforms	800	732	-	732
Tax roll	5,261	5,451	5,451	-
Utilities & telephone	20,690	16,995	19,429	(2,434)
Dues and subscriptions	2,266	2,293	2,845	(552)
City Hall and ground maintenance	3,394	12,222	11,255	967
Grass cutting & demolition	-	-	-	-
Supplies & postage	1,495	939	821	118
Capital outlay	18,000	12,000	-	12,000
Festival expense	218	193	145	48
Miscellaneous	20,503	232,457	17,865	214,592
Civil engineering	61,741	5,567	8,161	(2,594)
	<u>\$ 1,360,542</u>	<u>\$ 1,345,930</u>	<u>\$ 1,255,906</u>	<u>\$ 90,024</u>
City Court--				
Salaries	\$ 141,851	\$ 138,213	147,271	\$ (9,058)
Payroll taxes		-	5,024	(5,024)
Supplies & Postage	11,690	6,853	8,289	(1,436)
Professional fees	63,667	43,624	34,558	9,066
Building and grounds maintenance	-	3,331	-	3,331
	12,085	7,619	7,981	(362)
Rent expense	2,290	2,026	2,160	(134)
Small equipment expense	4,764	981	862	119
Uniforms	-	798	424	374
Retirement	19,018	17,757	20,351	(2,594)
Utilities	19,417	14,671	17,428	(2,757)
Miscellaneous	11,206	15,574	19,616	(4,042)
Capital outlay	-	-	-	-
	<u>\$ 285,988</u>	<u>\$ 251,447</u>	<u>\$ 263,964</u>	<u>(12,517)</u>
Total general government	<u>\$ 1,646,530</u>	<u>\$ 1,597,377</u>	<u>\$ 1,519,870</u>	<u>\$ 77,507</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, 2019

	2019			Variance-- Positive (Negative)
	Budget		Actual	
	Original	Final		
Public Safety:				
Police Department--				
Salaries	\$ 1,101,276	\$ 1,143,044	\$ 1,169,586	\$ (26,542)
Payroll tax	-	12,243	16,778	(4,535)
Prisoner care	72,506	78,423	89,204	(10,781)
Professional fees	14,889	3,410	2,961	449
Car maintenance and operations	163,193	126,996	150,974	(23,978)
Miscellaneous	65,213	114,598	70,011	44,587
Equipment maintenance	6,511	8,419	8,015	404
Uniforms	13,446	9,028	9,142	(114)
Utilities	43,819	43,340	49,279	(5,939)
Supplies	56,366	50,881	55,415	(4,534)
Building and ground maintenance	16,612	12,270	11,848	422
Building and equipment rental	9,257	6,845	7,722	(877)
Animal control	56,799	61,619	69,888	(8,269)
Contributions to state police pension fund	-	308,876	309,986	(1,110)
Capital outlay	90,000	40,646	35,283	5,363
	<u>\$ 1,936,464</u>	<u>\$ 2,020,638</u>	<u>\$ 2,056,092</u>	<u>\$ (35,454)</u>
Fire Department--				
Fire attendance	\$ 19,951	\$ 17,657	\$ 17,657	\$ -
Miscellaneous	28	-	-	-
Rentals on fire hydrants	23,000	23,000	23,000	-
	<u>\$ 42,979</u>	<u>\$ 40,657</u>	<u>\$ 40,657</u>	<u>\$ -</u>
Permit Department--				
Salaries	\$ 80,289	\$ 78,233	\$ 81,286	\$ (3,053)
Payroll taxes	-	2,317	3,260	(943)
Retirement	-	4,612	6,485	(1,873)
Office supplies	611	129	169	(40)
Utilities	1,618	1,545	1,736	(191)
Repairs & Maintenance	845	1,409	1,234	175
Capital outlay	-	-	-	-
Miscellaneous	7,859	9,234	4,897	4,337
	<u>\$ 91,222</u>	<u>\$ 97,479</u>	<u>\$ 99,067</u>	<u>\$ (1,588)</u>
Marshal Department--				
Supplies and fees	\$ 4,582	\$ 12,539	\$ 14,856	(2,317)

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, 2019

	2019			Variance--
	Budget			Positive
	Original	Final	Actual	(Negative)
Public Safety: (Continued)				
Police Reserves	\$ 2,707	\$ 4,640	\$ 2,839	\$ 1,801
Total Public Safety	\$ 2,077,954	\$ 2,175,953	\$ 2,213,511	\$ (37,558)
Public Works:				
Salaries	\$ 543,305	\$ 511,106	\$ 508,003	\$ 3,103
Payroll taxes	-	14,268	20,244	(5,976)
Retirement	-	11,866	17,172	(5,306)
Street maintenance materials	15,275	4,604	113,529	(108,925)
Chemicals and supplies	14,484	16,013	19,756	(3,743)
Pest Control	16,158	14,930	27,020	(12,090)
Building and ground maintenance	9,718	15,296	15,015	281
Truck and tractor expense	165,195	119,814	137,021	(17,207)
Street lighting	43,000	43,000	43,000	-
Uniforms	21,038	15,558	17,565	(2,007)
Engineering Fees	28,770	52,866	67,475	(14,609)
Utilities	15,881	13,649	14,954	(1,305)
Miscellaneous	22,448	14,515	24,888	(10,373)
Equipment rentals	4,556	4,865	5,327	(462)
Capital outlay	269,000	540,467	131,187	409,280
Total Public Works	\$ 1,168,828	\$ 1,392,817	\$ 1,162,156	\$ 230,661
Public Works - Storm Related Expenses	\$ -	\$ -	\$ -	\$ -
Culture and Recreation:				
Parks & Center -				
Salaries	\$ 74,729	\$ 72,813	\$ 75,001	\$ (2,188)
Payroll taxes	-	2,345	3,296	(951)
Miscellaneous	26,072	3,921	8,714	(4,793)
Campground Expenses	6,041	777	2,126	(1,349)
Upkeep of building and grounds	15,151	24,637	42,854	(18,217)
Utilities	78,324	59,960	74,715	(14,755)
Janitorial supplies	10,837	13,551	14,374	(823)
Capital outlay	207,170	363,552	180,323	183,229
Vehicle expenses	-	1,031	-	1,031
Equipment maintenance & Rental	31,826	10,922	11,267	(345)
Total Parks and Center	\$ 450,150	\$ 553,509	\$ 412,670	\$ 140,839

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, 2019

	2019			
	Budget		Actual	Variance-- Positive (Negative)
	Original	Final		
Culture and Recreation: (Continued)				
Museum -				
Salaries	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-
Building and ground upkeep	482	5,948	3,971	1,977
Capital Outlay	-	-	-	-
Utilities	1,829	1,647	1,864	(217)
Miscellaneous	218	-	-	-
Total Museum	<u>\$ 2,529</u>	<u>\$ 7,595</u>	<u>\$ 5,835</u>	<u>\$ 1,760</u>
Total Culture and Recreation	<u>\$ 452,679</u>	<u>\$ 561,104</u>	<u>\$ 418,505</u>	<u>\$ 142,599</u>
Total Expenditures	<u>\$ 5,345,991</u>	<u>\$ 5,727,251</u>	<u>\$ 5,314,042</u>	<u>\$ 413,209</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

SPECIAL REVENUE FUNDS
YOUTH RECREATION FUNDBUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2019

	2019			Variance--
	Budget			Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Taxes--ad valorem	\$ 163,650	\$ 169,303	\$ 169,303	\$ -
Charges for services				
Concession stand	44,565	44,667	41,598	(3,069)
Registration fees	53,227	54,601	54,911	310
Grant proceeds	-	5,000	5,000	-
Interest on investments	28	28	60	32
Miscellaneous income	100	375	160,800	160,425
Total Revenues	\$ 261,570	\$ 273,974	\$ 431,672	\$ 157,698
Current--				
Culture and recreation				
Salaries	\$ 114,442	\$ -	\$ 117,167	\$ (117,167)
Retirement	20,249	12,510	12,839	(329)
Labor	-	115,523	-	115,523
Engineering fees	-	-	-	-
Insurance	13,317	8,664	8,611	53
Repairs and maintenance	7,156	4,347	6,018	(1,671)
Youth basketball	1,520	1,189	1,421	(232)
Youth baseball	74,507	51,450	51,450	-
Youth football	2,902	3,878	4,805	(927)
Umpires & referees	23,490	14,767	14,767	-
Youth Camp	12,270	11,118	11,118	-
Material and supplies	3,179	3,069	2,586	483
Utilities	17,226	13,661	16,446	(2,785)
Building & Ground maintenance	3,999	3,150	3,902	(752)
Miscellaneous	20,407	18,922	19,022	(100)
Concession expense	34,850	37,945	36,370	1,575
Youth volleyball	1,139	1,346	2,608	(1,262)
Storm related	-	-	-	-
Capital outlay	9,045	22,516	182,872	(160,356)
Total expenditures	\$ 359,698	\$ 324,055	\$ 492,002	\$ (167,947)
Excess (deficiency) of revenues over expenditures	\$ (98,128)	\$ (50,081)	\$ (60,330)	\$ (10,249)
Other sources (uses)				
Operating transfer in (out)				
General Fund	\$ -	\$ -	\$ -	\$ -
Utility Fund	-	-	-	-
Sales Tax Fund	45,000	45,000	45,000	-
Total other sources	\$ 45,000	\$ 45,000	\$ 45,000	\$ -
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (53,128)	\$ (5,081)	\$ (15,330)	\$ (10,249)
Prior period adjustment	-	-	-	-
Fund balance (deficit), beginning of year	80,807	63,680	60,715	-
Fund balance (deficit), end of year	\$ 27,679	\$ 58,599	\$ 45,385	\$ (10,249)

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, 2019

	2019			
	Budget		Actual	Variance-- Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenues--				
Grant from Federal Government	\$ 386,320	\$ 428,042	\$ 422,072	\$ (5,970)
Interest on investments	96	179	169	(10)
Other income	-	-	-	-
Total revenues	<u>\$ 386,416</u>	<u>\$ 428,221</u>	<u>\$ 422,241</u>	<u>\$ (5,980)</u>
Expenditures:				
Current--				
Urban redevelopment and housing--				
Salaries	\$ 47,740	\$ 46,514	\$ 48,372	\$ (1,858)
Part-time labor	940	358	358	-
Professional fees	7,795	8,520	7,454	1,066
Meeting expense	855	1,300	1,200	100
Miscellaneous	13,324	8,355	8,166	189
Capital outlay	-	-	-	-
Payroll taxes	3,714	3,673	3,887	(214)
Utility assistance	550	1,053	1,107	(54)
Housing assistance	362,320	355,257	354,904	353
Total expenditures	<u>\$ 437,238</u>	<u>\$ 425,030</u>	<u>\$ 425,448</u>	<u>\$ (418)</u>
Excess of revenues over expenditures	\$ (50,822)	\$ 3,191	\$ (3,207)	\$ 6,398
Fund balance (deficit), beginning of year	<u>47,689</u>	<u>27,248</u>	<u>33,984</u>	<u>(6,736)</u>
Fund balance (deficit), end of year	<u>\$ (3,133)</u>	<u>\$ 30,439</u>	<u>\$ 30,777</u>	<u>\$ (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, 2019

	2019			
	Budget		Actual	Variance-- Favorable (Unfavorable)
	Original	Final		
Revenues:				
Contributions from other funds	\$ 18,298	\$ 9,629	\$ 19,113	\$ 9,484
Interest on investments	209	177	530	353
Total Revenues	<u>\$ 18,507</u>	<u>\$ 9,806</u>	<u>\$ 19,643</u>	<u>\$ 9,837</u>
Expenditures:				
Administrative fees	<u>\$ 1,738</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 2,000</u>
Excess of Revenues over Expenditures	<u>\$ 16,769</u>	<u>\$ 7,806</u>	<u>\$ 19,643</u>	<u>\$ 11,837</u>
Other Sources (Uses)				
Operating Transfers Out	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	<u>\$ -</u>
	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (33,231)	\$ (42,194)	\$ (30,357)	\$ 11,837
Fund Balance, beginning of year	<u>198,527</u>	<u>207,607</u>	<u>207,646</u>	<u>(39)</u>
Fund Balance, end of year	<u><u>\$ 165,296</u></u>	<u><u>\$ 165,413</u></u>	<u><u>\$ 177,289</u></u>	<u><u>\$ 11,798</u></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, 2019

	2019			Variance--
	Budget		Actual	Positive
	Original	Final		(Negative)
Revenues:				
Sale of Bricks	\$ -	\$ 1,900	\$ 2,350	\$ 450
Total Revenues	\$ -	\$ 1,900	\$ 2,350	\$ 450
Expenditures:				
Current--				
Culture and Recreation				
Building and Grounds Upkeep	\$ 3,667	\$ 409	\$ 409	\$ -
Miscellaneous	112	195	219	-
Capital Outlay	16,034	11,812	1,362	(10,450)
Total Expenditures	\$ 19,813	\$ 12,416	\$ 1,990	\$ (10,450)
Excess (deficiency) of revenues over expenditures	\$ (19,813)	\$ (10,516)	\$ 360	\$ (10,900)
Other Sources (Uses)				
Operating Transfer General Fund	\$ -	\$ -	\$ -	\$ -
Total Other Sources (Uses)	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of sources and other sources over expenditures and other uses	\$ (19,813)	\$ (10,516)	\$ 360	\$ (10,900)
Fund balance, beginning of year	(13,517)	(5,314)	20,766	\$ 26,080
Fund balance, end of year	\$ (33,330)	\$ (15,830)	\$ 21,126	\$ 15,180

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, 2019

	2019			Variance--
	Budget		Actual	Positive
	Original	Final		(Negative)
Revenues:				
Intergovernmental revenues--				
Grant from State Government	\$ 141,512	\$ 158,212	\$ 158,211	\$ (1)
Total Revenues	\$ 141,512	\$ 158,212	\$ 158,211	\$ (1)
Expenditures:				
Current--				
Urban redevelopment and housing--				
Administrative fees	\$ -	\$ -	\$ -	\$ -
Engineering Fees	-	-	-	-
Construction	141,512	158,212	350,583	192,371
Total Expenditures	\$ 141,512	\$ 158,212	\$ 350,583	\$ 192,371
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ (192,372)	\$ 192,372
Other Sources (Uses)				
Operating Transfer Sewer Fund	\$ -	\$ -	\$ 192,371	\$ (192,371)
Total Other Sources (Uses)	\$ -	\$ -	\$ 192,371	\$ (192,371)
Excess (deficiency) of sources and other sources over expenditures and other uses	\$ -	\$ -	\$ (1)	\$ 1
Fund balance, beginning of year	-	-	-	\$ -
Fund balance, end of year	\$ -	\$ -	\$ (1)	\$ 1

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, 2019

	2019			Variance--
	Budget		Actual	Favorable
	Original	Final		(Unfavorable)
Operating Revenues:				
Power customers	\$ 277,061	\$ 288,472	\$ 298,106	\$ 9,634
Residential	5,618,912	5,080,410	4,929,853	(150,557)
Commercial	2,676,247	2,681,320	2,660,083	(21,237)
Street lighting	43,000	43,000	43,000	-
Water revenue	579,268	567,651	557,870	(9,781)
Fire hydrant rental	23,000	23,000	23,000	-
Delinquent charges	205,926	184,037	189,352	5,315
	<u>\$ 9,423,414</u>	<u>\$ 8,867,890</u>	<u>\$ 8,701,264</u>	<u>\$ (166,626)</u>
Other operating revenue	651,170	643,271	649,285	6,014
	<u>\$ 10,074,584</u>	<u>\$ 9,511,161</u>	<u>\$ 9,350,549</u>	<u>\$ (160,612)</u>
Total Operating Revenues				
Operating Expenses:				
Electric generating expense	\$ 5,797,163	\$ 5,706,607	\$ 5,621,606	\$ 85,001
Electric distribution expense	516,262	546,195	568,184	(21,989)
Water department expense	388,341	448,064	399,428	48,636
Water treatment plant expense	558,588	564,766	574,252	(9,486)
Overhead expense	1,763,397	1,407,184	1,550,801	(143,617)
Warehouse expense	52,014	18,149	66,787	(48,638)
Total Operating Expenses	<u>\$ 9,075,765</u>	<u>\$ 8,690,965</u>	<u>\$ 8,781,058</u>	<u>\$ (90,093)</u>
Total Operating Income	\$ 998,819	\$ 820,196	\$ 569,491	\$ (250,705)
Non-Operating Revenues (expense)	\$ (1,739)	\$ 2,819	\$ 4,081	\$ 1,262
Income before Operating Transfers	<u>\$ 997,080</u>	<u>\$ 823,015</u>	<u>\$ 573,572</u>	<u>\$ (249,443)</u>
Other sources (uses):				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
Operating transfers out	(1,535,000)	(875,000)	(875,000)	-
Total Other Sources	<u>\$ (1,535,000)</u>	<u>\$ (875,000)</u>	<u>\$ (875,000)</u>	<u>\$ -</u>
Net Income (Loss)	<u>\$ (537,920)</u>	<u>\$ (51,985)</u>	<u>\$ (301,428)</u>	<u>\$ (249,443)</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, 2019

	2019			Variance--
	Budget		Actual	Favorable
	Original	Final		(Unfavorable)
Electric Generating Expense:				
Salaries	\$ 67,326	\$ 66,092	\$ 68,240	\$ (2,148)
Payroll taxes	-	1,908	2,686	(778)
Retirement	-	5,076	5,438	(362)
Fuel	-	-	-	-
Repairs to generators	16,606	2,868	4,020	(1,152)
Purchased power	5,700,397	5,628,120	5,538,663	89,457
Miscellaneous	12,834	2,543	2,559	(16)
	<u>\$ 5,797,163</u>	<u>\$ 5,706,607</u>	<u>\$ 5,621,606</u>	<u>\$ 85,001</u>
Electric Distribution Expense:				
Salaries and wages	\$ 329,354	\$ 322,697	\$ 332,760	\$ (10,063)
Payroll taxes	-	9,920	13,685	(3,765)
Retirement	-	20,265	21,649	(1,384)
Line maintenance	60,618	30,973	31,664	(691)
Street light maintenance	15,914	15,108	16,441	(1,333)
Meter maintenance	9,001	7,447	8,216	(769)
Maintenance equipment	10,452	12,917	12,161	756
Truck operation and maintenance	55,418	58,287	92,251	(33,964)
Tools and supplies	7,042	7,054	8,191	(1,137)
Uniforms	11,351	8,122	9,376	(1,254)
Miscellaneous	17,112	53,405	21,790	31,615
	<u>\$ 516,262</u>	<u>\$ 546,195</u>	<u>\$ 568,184</u>	<u>\$ (21,989)</u>
Water Department Expense:				
Salaries and wages	\$ 318,290	\$ 315,123	\$ 287,704	\$ 27,419
Payroll taxes	-	9,915	13,281	(3,366)
Retirement	-	17,840	23,689	(5,849)
Well maintenance	4,612	1,382	2,348	(966)
Line maintenance	17,964	13,825	15,464	(1,639)
Meter maintenance	19,990	19,088	20,427	(1,339)
Uniforms	4,736	3,912	4,416	(504)
Truck operation and maintenance	12,416	13,085	12,764	321
Small tools and supplies	3,198	7,738	7,587	151
Engineering fees	-	631	473	158
Miscellaneous	7,135	45,525	11,275	34,250
	<u>\$ 388,341</u>	<u>\$ 448,064</u>	<u>\$ 399,428</u>	<u>\$ 48,636</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, 2019

	2019			
	Budget		Actual	Variance-- Favorable (Unfavorable)
	Original	Final		
Water Treatment Plant:				
Salaries	\$ 209,051	\$ 180,126	\$ 191,992	\$ (11,866)
Payroll taxes	-	6,967	7,721	(754)
Retirement	-	8,788	12,612	(3,824)
Engineering fees	11,860	163,501	144,501	19,000
Chemicals	92,761	51,225	59,151	(7,926)
Tools and equipment maintenance	46,996	17,530	23,435	(5,905)
Building maintenance	3,550	3,604	3,786	(182)
Utilities	81,457	71,776	76,609	(4,833)
Miscellaneous	112,913	61,249	54,445	6,804
	<u>\$ 558,588</u>	<u>\$ 564,766</u>	<u>\$ 574,252</u>	<u>\$ (9,486)</u>
Overhead Expenses:				
Salaries and wages	\$ 362,095	\$ 317,700	\$ 343,634	\$ (25,934)
Payroll taxes	97,985	65,930	58,939	6,991
Group insurance	264,658	241,941	242,625	(684)
Professional fees	129,711	131,074	96,913	34,161
General insurance	154,110	136,659	183,048	(46,389)
Depreciation	290,758	262,569	290,348	(27,779)
Postage and supplies	63,843	48,888	77,705	(28,817)
Utilities	9,920	10,135	12,419	(2,284)
Equipment maintenance	11,900	7,580	5,919	1,661
Water damage	-	-	-	-
Pension expense	-	-	-	-
Bad debt expense	-	-	43,754	(43,754)
Promotions	40,303	31,523	25,429	6,094
Building and ground maintenance	20,173	12,504	7,097	5,407
Engineering fees	2,822	2,433	1,856	577
Miscellaneous	35,326	22,878	27,295	(4,417)
Administrative expense-Retirement	274,915	111,216	130,705	(19,489)
Uniforms	4,878	4,154	3,115	1,039
	<u>\$ 1,763,397</u>	<u>\$ 1,407,184</u>	<u>\$ 1,550,801</u>	<u>\$ (143,617)</u>
Warehouse Expense:				
Salaries and wages	\$ 46,609	\$ -	\$ 54,766	\$ (54,766)
Payroll taxes	-	1,335	2,377	(1,042)
Retirement	-	2,490	4,425	(1,935)
Building and ground maintenance	1,359	1,451	1,416	35
Supplies	2,080	1,593	2,996	(1,403)
Miscellaneous	1,966	11,280	807	10,473
	<u>\$ 52,014</u>	<u>\$ 18,149</u>	<u>\$ 66,787</u>	<u>\$ (48,638)</u>
Total Operating Expenses	<u>\$ 9,075,765</u>	<u>\$ 8,690,965</u>	<u>\$ 8,781,058</u>	<u>\$ (90,093)</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, 2019

	2019			Variance--
	Budget			Favorable
	Original	Final	Actual	(Unfavorable)
Non-Operating Revenue:				
Interest earned on investments	\$ 2,523	\$ 2,358	\$ 3,220	\$ 862
Claims from Insurance	-	-	-	-
Intergovernmental				
FEMA	-	-	-	-
State	-	-	-	-
Miscellaneous	4,254	8,982	9,382	400
	<u>\$ 6,777</u>	<u>\$ 11,340</u>	<u>\$ 12,602</u>	<u>\$ 1,262</u>
Non-Operating Expenses:				
Bond interest expense	\$ 8,516	\$ 8,521	\$ 8,521	\$ -
Storm Related expense	-	-	-	-
Loss on Disposal of Assets	-	-	-	-
Miscellaneous	-	-	-	-
	<u>\$ 8,516</u>	<u>\$ 8,521</u>	<u>\$ 8,521</u>	<u>\$ -</u>
Non-operating revenue (expenses)	<u>\$ (1,739)</u>	<u>\$ 2,819</u>	<u>\$ 4,081</u>	<u>\$ 1,262</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, 2019

	2019			Variance--
	Budget		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Operating Revenues:				
Charges for service	\$ 900,000	\$ 799,641	\$ 802,470	\$ 2,829
Non-Operating Revenues:				
Miscellaneous income	-	429	429	-
Bond proceeds	780,000	-	-	-
Claims from insurance	-	-	-	-
Grant	-	-	-	-
Interest on investments	1	72	2	(70)
Total Revenues	\$ 1,680,001	\$ 800,142	\$ 802,901	\$ 2,759
Expenditures:				
Current--				
Sanitation--				
Salaries	\$ 167,144	\$ 166,923	\$ 185,193	\$ (18,270)
Payroll taxes	15,324	12,898	14,560	(1,662)
Line maintenance	1,005	7,206	5,624	1,582
Repairs and maintenance	90,557	17,381	22,377	(4,996)
Insurance	12,432	17,202	18,278	(1,076)
Utilities/Telephone	82,044	77,449	82,261	(4,812)
Chemicals	1,612	307	460	(153)
Lab fees	15,139	13,077	15,762	(2,685)
Group insurance	23,261	19,427	19,754	(327)
Building & ground maintenance	2,029	18,945	10,712	8,233
Retirement system	35,971	15,740	19,728	(3,988)
Engineering fees	66,651	101,187	99,880	1,307
Department supplies	1,613	605	948	(343)
Storm related expenses	-	-	-	-
Miscellaneous	52,418	9,148	11,193	(2,045)
Pension expense	-	-	-	-
Capital outlay	863,000	731,007	-	731,007
Depreciation	270,950	270,949	270,468	481
Bad debt	-	-	7,651	(7,651)
Bond interest	-	1,648	561	1,087
Total Expenditures	\$ 1,701,150	\$ 1,481,099	\$ 785,410	\$ 695,689
Income before operating transfers	\$ (21,149)	\$ (680,957)	\$ 17,491	\$ 698,448
Other sources (uses):				
Capital contributions	\$ -	\$ -	\$ -	\$ -
Operating transfers out	(300,000)	(300,000)	(492,371)	-
Operating transfers in	-	-	-	-
Total Other Sources	\$ (300,000)	\$ (300,000)	\$ (492,371)	\$ -
Net income (loss)	\$ (321,149)	\$ (980,957)	\$ (474,880)	\$ 506,077

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, 2019

	Special Revenue					Total Nonmajor Governmental Funds
	Youth Recreation Fund	Section 8 Fund	Unemployment Compensation	Veteran's Park	LCDBG	
ASSETS						
Cash and cash equivalents	\$ 37,274	\$ 37,267	\$ 36,649	\$ 21,143	\$ -	\$ 132,333
Investments	25,495	-	140,640	-	-	166,135
Receivables	911	-	-	-	-	911
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
TOTAL ASSETS	\$ 63,680	\$ 37,267	\$ 177,289	\$ 21,143	\$ -	\$ 299,379
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 7,170	\$ 33	\$ -	\$ 17	\$ -	\$ 7,220
Accrued Payroll liabilities	11,125	6,457	-	-	-	17,582
Payable from restricted assets	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Matured bonds and interest payable	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Matured bonds and interest payable	-	-	-	-	-	-
Total Liabilities	\$ 18,295	\$ 6,490	\$ -	\$ 17	\$ -	\$ 24,802
Fund balances:						
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	45,385	30,777	177,289	21,126	-	274,577
Total Fund Balances	\$ 45,385	\$ 30,777	\$ 177,289	\$ 21,126	\$ -	\$ 274,577
Total Liabilities and Fund Balances	\$ 63,680	\$ 37,267	\$ 177,289	\$ 21,143	\$ -	\$ 299,379

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, 2019

	Special Revenue					Total Nonmajor Governmental Funds
	Youth Recreation	Section 8	Unemployment Compensation	Veteran's Park	LCDBG	Total
REVENUES						
Ad valorem	\$ 169,303	\$ -	\$ -	\$ -	\$ -	\$ 169,303
Charges for services	96,509	-	-	-	-	96,509
Intergovernmental revenues						
State grants	-	-	-	-	-	-
Federal grants	-	422,072	-	-	158,211	580,283
Investment earnings	60	169	530	-	-	759
Other revenues	165,800	-	19,113	2,350	-	187,263
Total Revenues	<u>\$ 431,672</u>	<u>\$ 422,241</u>	<u>\$ 19,643</u>	<u>\$ 2,350</u>	<u>\$ 158,211</u>	<u>\$ 1,034,117</u>
EXPENDITURES						
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Juvenile Program	-	-	-	-	-	-
Cultural and recreation	492,002	-	-	1,990	-	493,992
Urban Redevelopment and housing	-	425,448	-	-	350,583	776,031
Debt service	-	-	-	-	-	-
Principle retirement	-	-	-	-	-	-
Interest & Fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>\$ 492,002</u>	<u>\$ 425,448</u>	<u>\$ -</u>	<u>\$ 1,990</u>	<u>\$ 350,583</u>	<u>\$ 1,270,023</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (60,330)</u>	<u>\$ (3,207)</u>	<u>\$ 19,643</u>	<u>\$ 360</u>	<u>\$ (192,372)</u>	<u>\$ (235,906)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 45,000	\$ -	\$ -	\$ -	\$ 192,371	\$ 237,371
Transfers out	-	-	(50,000)	-	-	(50,000)
Total Other Financing Sources and Uses	<u>\$ 45,000</u>	<u>\$ -</u>	<u>\$ (50,000)</u>	<u>\$ -</u>	<u>\$ 192,371</u>	<u>\$ 187,371</u>
Net Change in Fund Balance	\$ (15,330)	\$ (3,207)	\$ (30,357)	\$ 360	\$ (1)	\$ (48,535)
Fund balances - beginning	60,715	33,984	207,646	20,766	-	323,111
Fund balances - ending	<u>\$ 45,385</u>	<u>\$ 30,777</u>	<u>\$ 177,289</u>	<u>\$ 21,126</u>	<u>\$ (1)</u>	<u>\$ 132,205</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, 2019

	Issue Date	Final Maturity Date	Interest Rates	Payment Dates	Bonds		
					Issued	Retired	Outstanding
Utility Revenue Bonds - Utility Revenue Bonds, Series 2018 - Sewer*	3/1/18	3/1/2039	0.45%	3/1	<u>\$ 345,155</u>	<u>\$ -</u>	<u>\$ 345,155</u>
Certificated of Indebtedness, Series 2011	3/1/2011	3/1/2021	3.02%	3/1	<u>\$ 1,000,000</u>	<u>\$ 772,000</u>	<u>\$ 228,000</u>

* The Series 2018 bonds were issued in March 2018. As of the date of this report, only \$345,155 has been drawn and is outstanding.

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, 2019

Insurance / Agent	Risks Covered	Limits of Coverage	Expiration Date
Landmark America	Blanket Building, Structures Blanket Personal Property	12,399,080	1/1/20
Western Surety (CNA Surety)	Bond (City Tax Collector) Bonds - City Court, City Clerk, Mayor, Marshall Blanket - City Employees F&O	10,000 90,000 100,000	3/24/2020 Various 6/24/2020
National Casualty Co.	Rayne Civil Defense Auxiliary Police Death Specific Loss Accident Maximum	12,500 25,000 50,000	8/23/2019
Risk Management, Inc.	General Liability Automobile Liability Errors and Omissions Law Enforcement Officer Worker's Compensation	500,000 500,000 500,000 500,000 500,000	4/25/2020 4/25/2020 4/25/2020 4/25/2020 1/1/2020
Continental Casualty Company	Boiler and Machinery	25,000	1/20/2020
US Fire Insurance Company	Flag and Tackle Football Accidental Death and Medical Basketball Accidental Death and Medical Summer Baseball and Softball Medical All- Star Baseball Liability/Medical	10,000 10,000 10,000 1,000,000	3/7/2020 6/3/2020 3/16/2020 9/16/2020
US Fire Insurance Company	Just for Fun Camp Accident Policy General Liability	10,000 1,000,000 / Occurrence 2,000,000 Aggregate	8/1/2019
US Fire Insurance Company	Athletic Officials Activities (YR) Medical Benefits Officials General Liability for Officials	10,000 1,000,000 / Occurrence 2,000,000 Aggregate	1/17/2020

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, 2019

	<u>Financial Institution</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Utility				
Money Market Account	Rayne Bldg & Loan	0.65%	4/17/2020	\$ 100,000
Passbook	Bank of Commerce	0.20%		161,003
Passbook	Bank of Commerce	0.20%		211,558
				<u>\$ 472,561</u>
Sewer				
Passbook	Rayne State Bank	0.15%		1,038
				<u>\$ 1,038</u>
Unemployment Compensation				
Passbook	Bank of Commerce	0.20%		<u>\$ 140,640</u>
Youth Recreation				
Passbook	Rayne State Bank	0.20%		<u>\$ 25,495</u>
General				
Passbook	Bank of Commerce	0.20%		<u>\$ 109,010</u>
				<u>\$ 748,744</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, 2019

Agency Head Name: Charles E. Robichaux, Mayor (October 1, 2018- September 30, 2019)

Purpose	Amount
Salary	\$ 76,000
Benefits-insurance	-
Benefits-retirement	10,640
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Dues	-
Registration fees	350
Conference travel	423
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	<hr/>
	\$ 87,413

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>
2009-2010	30,043,738	12.10	363,535
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

Table 2

GENERAL REVENUES BY SOURCE*
FOR THE LAST FIVE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Taxes	\$ 2,914,987	\$ 2,792,382	\$ 2,637,056	\$ 2,571,760	\$ 2,670,692
Licenses and permits	333,382	316,549	338,157	329,667	340,097
Intergovernmental	1,312,065	942,025	904,339	1,118,032	918,638
Charges for services	171,519	171,977	183,866	163,997	119,592
Fines	123,391	98,629	122,422	145,235	181,216
Miscellaneous	387,787	343,148	641,396	230,863	228,660
Totals	<u>\$ 5,243,131</u>	<u>\$ 4,664,710</u>	<u>\$ 4,827,236</u>	<u>\$ 4,559,554</u>	<u>\$ 4,458,895</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

	2019	2018	2017	2016	2015
General governments	\$ 1,578,200	\$ 1,578,725	\$ 1,954,252	\$ 1,574,521	\$ 1,359,333
Public safety	2,213,511	1,981,300	1,863,315	1,858,846	1,810,428
Public works	1,162,156	1,041,869	929,082	981,353	713,742
Culture and recreation	912,497	568,115	661,361	662,257	774,320
Public works - storm related	-	-	1,739	5,845	-
Urban and housing redevelopment	776,031	573,394	458,348	726,656	367,633
Debt service	-	-	-	-	3,545
Totals	<u>\$ 6,642,395</u>	<u>\$ 5,743,403</u>	<u>\$ 5,868,097</u>	<u>\$ 5,809,478</u>	<u>\$ 5,029,001</u>

* 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

	2019	2018	2017	2016	2015
Principal	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Total Debt Service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total general expenditures	<u>\$ 6,642,395</u>	<u>\$ 5,743,403</u>	<u>\$ 5,868,097</u>	<u>\$ 5,809,478</u>	<u>\$ 5,029,001</u>
Ratio of debt service to total general expenditures	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>

CITY OF RAYNE, LOUISIANA

STATISTICAL INFORMATION

Table 5

UTILITY REVENUE BOND COVERAGE
FOR THE LAST FIVE FISCAL YEARS

	2019	2018	2017	2016	2015
Gross revenues*	\$ 10,153,019	\$ 10,650,671	\$ 10,113,442	\$ 9,636,895	\$ 8,896,157
Operating expenditures**	8,996,009	8,429,262	7,983,175	7,999,595	7,944,138
Net available for debt service	<u>\$ 1,157,010</u>	<u>\$ 2,221,409</u>	<u>\$ 2,130,267</u>	<u>\$ 1,637,300</u>	<u>\$ 952,019</u>
Debt service requirements:					
Principal	\$ 108,000	\$ 106,000	\$ 101,000	\$ 97,000	\$ 490,000
Interest	8,516	11,748	14,873	17,863	43,017
Total	<u>\$ 116,516</u>	<u>\$ 117,748</u>	<u>\$ 115,873</u>	<u>\$ 114,863</u>	<u>\$ 533,017</u>
Coverage	<u>9.9</u>	<u>18.9</u>	<u>18.4</u>	<u>14.3</u>	<u>1.8</u>

* Includes revenue from all sources.

** Includes all expenditures except debt service interest and depreciation.

Table 6

GROSS SALARIES BY FUNCTION
FOR LAST FIVE FISCAL YEARS

	2019	2018	2017	2016	2015
General government	\$ 283,166	\$ 283,166	\$ 284,204	\$ 284,204	\$ 312,482
Public safety	1,250,872	1,096,373	1,025,382	1,057,417	1,008,884
Public works	508,003	604,890	559,471	560,133	382,356
Culture and recreations	192,168	188,834	183,306	189,688	214,019
Urban redevelopment and housing	48,372	47,827	45,078	42,322	34,605
Enterprise	<u>1,464,289</u>	<u>1,449,837</u>	<u>1,385,810</u>	<u>1,445,556</u>	<u>1,481,894</u>
Totals	<u>\$ 3,746,870</u>	<u>\$ 3,670,927</u>	<u>\$ 3,483,251</u>	<u>\$ 3,579,320</u>	<u>\$ 3,434,240</u>

**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, 2019, 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 30, 2020.

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 2019-1, 2019-2 and 2019-3.

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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and corrective action plan as item 2019-4.

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 30, 2020

CITY OF RAYNE, LOUISIANA

Schedule of Corrective Action Taken on Prior Year Findings
For the Year Ended September 30, 2019

Significant Deficiencies - Financial Reporting Findings

- 2018-1 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.

- 2018-3 Citations were not accounted for.

This matter is resolved.

- 2018-4 Invoices for a recurring expense were not accounted for.

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, 2018.

Non-Compliance - Financial Reporting Findings

There was 1 instance of non-compliance that was disclosed during the audit for the period ended September 30, 2018.

- 2018-2 Budget Violation

This matter is resolved.

CITY OF RAYNE, LOUISIANA

Schedule of Corrective Action Taken on Prior Year Findings
For the Year Ended September 30, 2019
(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, 2019.

CITY OF RAYNE, LOUISIANA

Schedule of Findings and Corrective Action Plan
For the Year Ended September 30, 2019

Part 1

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, 2019.

Internal Control - Financial Reporting

There were three 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, 2019 which are identified as 2019-1, 2019-2 and 2019-3. 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 was one instance of noncompliance that was disclosed during the audit of the financial statements for the period ended September 30, 2019, which is identified as 2019-4.

CITY OF RAYNE, LOUISIANA

Schedule of Findings and Corrective Action Plan
For the Year Ended September 30, 2019

Part 2

Findings Relating to an audit in accordance with Government Auditing Standards

2019-1 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. Mayor Charles Robichaux is the responsible party and there is no date of expected correction.

2019-2 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:

The City installed a new software system and during the course of the conversion failed to do bank reconciliations timely.

Schedule of Findings and Corrective Action Plan (continued)
For the Year Ended September 30, 2019

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, 2020.

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

Termination payments paid to employees did not match the cumulative leave records.

Criteria:

The City should have internal controls in place to ensure that employees are paid correctly.

Cause of Condition:

Termination payments should be reviewed for accuracy by someone other than the person making the payment.

Effect of Condition:

Employee payments could be made that are inaccurate and employees could receive monies they are not due or receive less than they are owed.

Recommendation:

A review process should be implemented where all termination payments are reviewed for accuracy, initialed and dated.

Corrective Action Plan:

Management will develop internal controls to ensure that employees are paid correctly. Annette Cutrera is the responsible party and the estimated date of correction is September 30, 2020.

CITY OF RAYNE, LOUISIANA

Schedule of Findings and Corrective Action Plan (continued)
For the Year Ended September 30, 2019

2019-4 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. Mayor Charles Robichaux is the responsible party and the expected completion date is September 30, 2020.

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 ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES ON CONTROL AND COMPLIANCE AREAS IDENTIFIED BY THE LOUISIANA LEGISLATIVE AUDITOR

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

June 30, 2020

We have performed the procedures enumerated below, which were agreed to by the management of the City of Rayne, Louisiana (City) and the Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2018 through September 30, 2019. The City's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

No exceptions noted.

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

Exception noted. The policy does not address how vendors are added to the vendor list.

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

No exceptions noted.

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

No exceptions noted.

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

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Exception noted. There are no written policies and procedures.

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

Exception noted. There are no written policies and procedures.

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

Exception noted. There are no written policies and procedures.

Board (or Finance Committee, if applicable)

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

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

No exceptions noted.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

No exceptions noted.

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

Not applicable.

Bank Reconciliations

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

Obtained a listing of client bank accounts for the fiscal period and management's representation that the listing is complete. Management identified the City's main operating account and four (4) additional accounts were randomly selected.

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

Exception noted on all five bank accounts tested. Bank reconciliations were not prepared within 2 months of the related closing date.

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

Exceptions noted.

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

No exceptions noted.

Collections

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

The City only has one deposit site. Management's representation was obtained.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:

The City only has one collection location. Management's representation that the listing is complete was obtained.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

As per inquiry of management, all employees who are responsible for collecting cash are bonded.

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

Randomly selected two (2) deposit dates for the bank accounts selected under procedures #3.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week of the depository is more than 10 miles from the collection location or the deposit is less than \$100).

No exceptions noted.

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

No exceptions noted.

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

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

The City of Rayne only has one location. We obtained management's representation that the listing is complete.

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

Obtained a listing of those employees involved with non-payroll purchasing and payment functions. Inquired of employees about their job duties.

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

No exceptions noted.

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

No exceptions noted.

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

One of the clerks can process payments and add/modify vendor files.

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

No exception noted.

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

Obtained the City's disbursement transaction population and excluded cards, travel reimbursements and payroll.

- a) Observe that the disbursement matched the related original invoice/billing statement.

No exceptions noted.

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

No exceptions noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

Received listing from management. We obtained management's representation that the listing is complete.

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g. mayor of a Lawrason Act municipality); these instances should not be reported)]

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Travel and Travel-Related Expense Reimbursement (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5

reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete. Selected five of the reimbursements and obtained supporting documentation.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Contracts

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

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

No exceptions noted.

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

No exceptions noted.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

No exceptions noted.

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

Exceptions noted. Of the five contracts tested, two invoices did not match the contracted amounts.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

No exceptions noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Exception noted. Four out of the five employees tested did not have supervisor approval on the attendance/leave schedules.

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

No exceptions noted.

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

Exceptions noted. Amounts did not agree to the employees' cumulative leave records for either employee tested. Pay rates matched personnel files.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, and associated forms, have been filed by required deadlines.

Ethics (excluding nonprofits)

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

Obtained ethics documentation for the employees selected under Procedures #16.

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

No exceptions noted.

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the City's ethics policy during the fiscal period.

No exceptions noted.

Debt Service (excluding nonprofits)

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

No exception noted.

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

No exception noted.

Other

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

Not applicable.

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

No exception noted.

Management's Response

The management of The City of Rayne, Louisiana concurs with the exceptions and are working to address the deficiencies identified.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we did not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. This report is intended solely for use by the City's management and the LLA. Accordingly, this report is not suitable for any other purpose and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Thibodeaux Accounting Company
Thibodeaux Accounting Company
A Limited Liability Company